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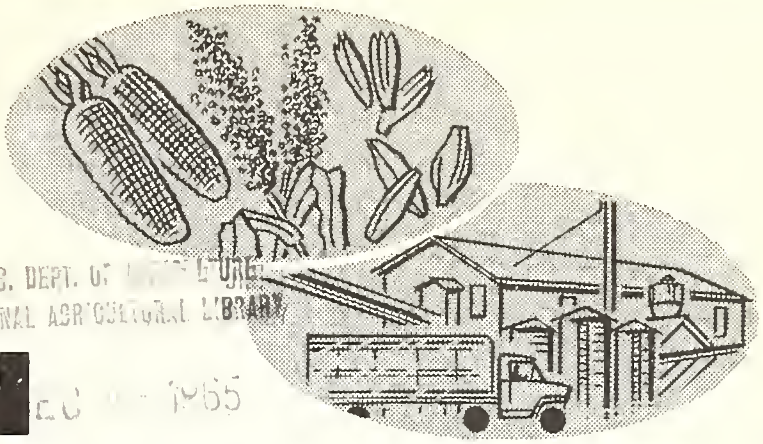
1966 OUTLOOK ISSUE

FEED SITUATION



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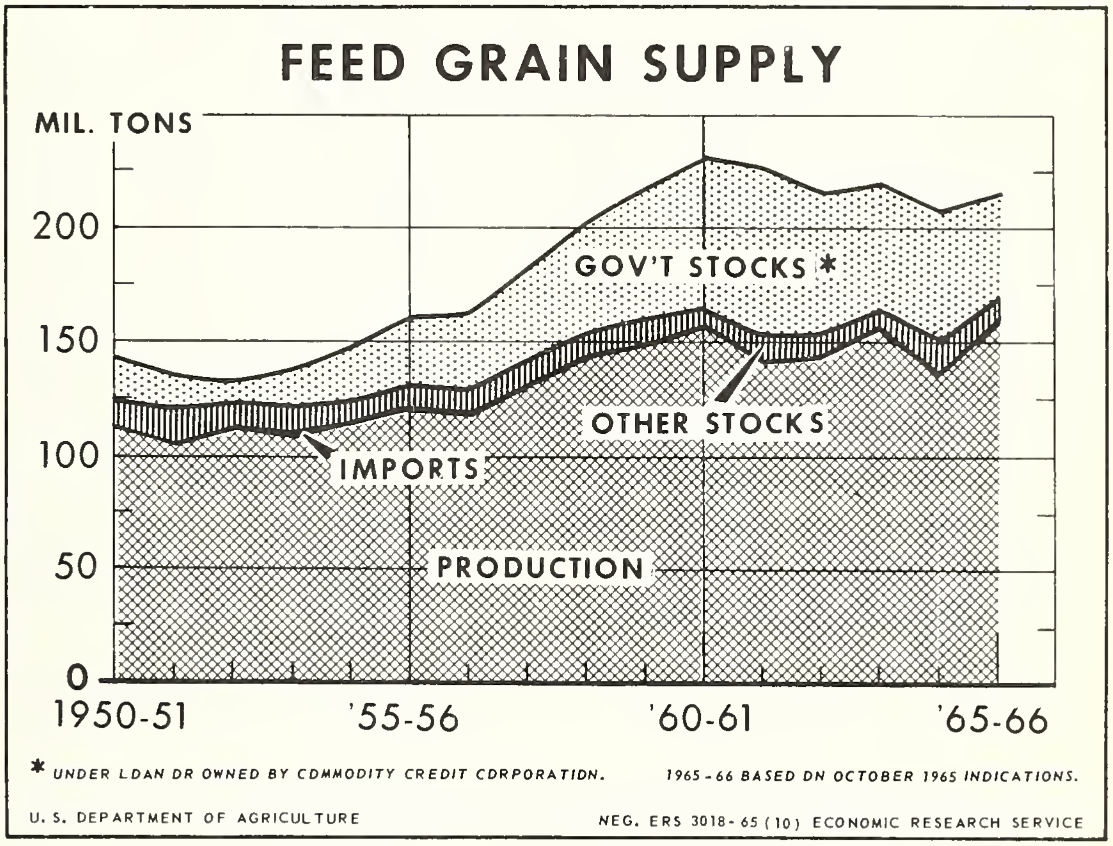
The feed grain supply for 1965-66, estimated in October at 217 million tons, was 5 percent larger than in 1964-65, but a little below the 5-year average. While the carryover this year was 14 million tons less than last year, production increased sharply to a record 161 million tons. The larger supply is expected to result in a 5-million ton increase in carryover at the close of the 1965-66 marketing year.

IN THIS ISSUE

Outlook for Feed in 1965-66

Feed Grain Program 1966-69

Foreign Trade in Feeds



* UNDER LOAN OR OWNED BY COMMODITY CREDIT CORPORATION. 1965-66 BASED ON OCTOBER 1965 INDICATIONS.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 3018-65 (10) ECONOMIC RESEARCH SERVICE

FOR 3 P.M. EST RELEASE, NOVEMBER 5

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Table 1.- Statistical Summary of Prices, Indexes and Price Ratios

Item	Unit	PRICES						
		Seasonal average		Oct. 1964	1965			
		1963-64	1964-65		July	Aug.	Sept.	Oct.
		Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Feed Grains and Hay								
Corn, No. 3 Yellow, Chicago	Bushel	1.20	1.28	1.21	1.33	1.28	1.28	*1.19
Price received by farmers, U. S.	Bushel	1.09	1.16	1.10	1.22	1.18	1.18	1.06
Oats, No. 1 White, Chicago	Bushel	.696	.704	.708	.729	.728	.704	*.695
No. 2 White, Minneapolis	Bushel	.651	.660	.682	.662	.642	.652	*.650
Price received by farmers, U. S.	Bushel	.622	.628	.616	.634	.596	.601	.615
Barley, No. 3, Minneapolis	Bushel	1.09	1.19	1.19	1.23	1.26	1.25	*1.26
Price received by farmers, U. S.	Bushel	.896	.942	.935	1.04	.989	.982	.989
Sorghum grain - No. 2 Yellow, Kansas City	100 pounds	1.97	2.08	2.07	2.14	2.06	1.93	*1.87
Price received by farmers, all types, U. S.	100 pounds	1.74	1.89	1.86	1.92	1.90	1.85	1.74
Hay, No. 1 Alfalfa, baled, Kansas City	Ton	25.40	25.60	26.00	22.40	22.50	22.50	23.00
All hay, price received by farmers, baled, U. S.	Ton	24.60	23.70	22.90	22.10	22.00	22.60	22.80
Byproduct Feeds, Wholesale, Bulk								
Wheat bran, Minneapolis	Ton	35.00	39.40	36.10	38.10	36.20	38.20	35.90
Buffalo	Ton	38.80	44.20	43.00	45.10	42.90	42.40	41.00
Wheat middlings, Minneapolis	Ton	35.30	39.10	38.40	39.10	37.10	39.00	36.90
Buffalo	Ton	42.00	45.40	45.40	46.80	43.90	44.00	42.40
Soybean meal, 44 pct., solvent, Decatur	Ton	71.00	70.20	69.20	74.40	69.60	76.80	70.70
50 pct., solvent, Decatur	Ton	78.70	79.20	76.80	86.00	80.50	89.20	80.70
Cottonseed meal, 41 pct., expeller, Memphis	Ton	62.20	59.80	62.00	63.50	64.40	59.90	59.20
Linseed meal, 32-36 pct., solvent, Minneapolis	Ton	58.00	61.90	61.10	66.90	66.50	66.60	67.10
Peanut meal, 45 pct., S. E. mills	Ton	62.70	67.70	65.20	76.10	75.40	73.20	73.40
Gluten feed, 21 pct., Chicago	Ton	40.70	43.00	44.80	41.50	42.80	42.80	44.00
Hominy feed, Chicago	Ton	44.00	44.60	44.50	43.80	45.80	44.80	39.20
Brewers' dried grains, 24 pct., Milwaukee	Ton	37.90	42.10	40.80	39.40	46.00	47.50	46.10
Distillers' dried grains, 28 pct., Cincinnati	Ton	57.60	60.20	57.60	62.80	61.80	61.40	58.10
Tankage digester, 60 pct., Chicago	Ton	92.70	87.70	87.20	104.70	101.80	95.60	94.40
Meat meal, 50 pct., Chicago	Ton	88.20	83.90	84.40	108.10	94.80	88.30	86.20
Fish meal, 60 pct., Buffalo, f.o.b. seaboard	Ton	131.80	148.90	139.50	160.50	165.00	170.50	173.00
Alfalfa meal, 17 pct., dehydrated, Kansas City	Ton	42.20	40.30	42.60	38.50	41.00	42.20	46.60
Molasses blackstrap, New York	Ton	30.85	22.29	23.08	21.26	20.94	20.94	20.30
Tallow, inedible prime, Chicago	Pound	.059	.077	.072	.077	.072	.075	**
Prices Paid by Farmers								
Wheat bran	100 pounds	3.08	3.22	3.08	3.20	3.23	3.18	3.19
Wheat middlings	100 pounds	3.17	3.28	3.16	3.27	3.29	3.27	3.27
Soybean meal, 44 pct.	100 pounds	4.94	4.87	4.86	5.03	5.04	5.01	5.01
Cottonseed meal, 41 pct.	100 pounds	4.59	4.40	4.41	4.40	4.46	4.45	4.41
Broiler growing mash	100 pounds	4.80	4.83	4.81	4.88	4.89	4.84	4.83
Laying mash	100 pounds	4.44	4.42	4.37	4.44	4.46	4.42	4.40
Dairy feed, 16 pct.	100 pounds	3.73	3.74	3.70	3.74	3.77	3.76	3.76
Hog feed, over 29 pct.	100 pounds	5.86	5.81	5.79	5.97	6.02	5.99	6.01
		INDEX NUMBERS OF PRICES						
Price Indexes		Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Feed grains, price received by farmers, U. S.	1957-59=100	101	107	101	111	107	106	99
Eleven principal high-protein feeds, wholesale prices at terminal markets	1957-59=100	119	120	118	128	124	131	123
Five oilseed meals	1957-59=100	125	124	122	133	127	137	126
Tankage, meat scraps, and fish meal	1957-59=100	99	102	98	119	117	114	114
Gluten feed, brewers' dried grains, and distillers' dried grains	1957-59=100	104	111	112	111	113	112	113
Feed, price paid by farmers, U. S.	1957-59=100	103	104	103	104	104	104	103
		LIVESTOCK-FEED PRICE RATIOS 1/						
Price Ratios (October average)								
Hog-corn, Chicago 2/ 1954-63=14.1	Bushel	12.8	15.0	13.0	18.5	19.5	18.0	*20.1
Hog-corn, U. S. farm price 1954-63=14.9	Bushel	13.3	15.6	13.7	18.9	20.2	18.7	21.6
Beef steer-corn, Chicago 3/ 1954-63=21.6	Bushel	18.6	19.7	20.6	20.1	21.2	21.0	*22.3
Milk-feed, U. S. 1954-63= 1.50	Pound	1.37	1.40	1.50	1.31	1.37	1.46	*1.52
Milkfat-feed, U. S. 1954-63=24.0	Pound	23.3	23.0	23.7	22.5	23.0	23.2	*23.8
Egg-feed, U. S. 1959-63=11.0	Pound	9.7	9.4	10.1	9.1	9.8	10.5	10.9
Farm chicken-feed, U. S. 1959-63= 2.9	Pound	2.7	2.6	2.5	2.5	2.4	2.4	2.5
Commercial broiler-feed, U. S. 1959-63= 3.0	Pound	2.9	3.1	3.0	3.2	3.1	3.1	3.0
Turkey-feed, U. S. 1959-63= 6.5	Pound	6.2	6.5	5.9	6.4	6.3	6.3	6.3

1/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef steer, one pound of chicken, butterfat, or milk, or one dozen eggs. 2/ Based on packer and shipper purchases of hogs and No. 3 Yellow corn. 3/ Based on price of beef steers sold out of first hands for slaughter, and No. 3 Yellow corn. * Preliminary. **Not yet available.

Prices compiled from Chicago Board of trade, Minneapolis Daily Market Record, Kansas City Grain Market Review, National Provisioner, and reports of the Consumer and Marketing Service.

THE FEED SITUATION

Approved by the Outlook and Situation Board, October 29, 1965

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SUMMARY

Record feed grain production in 1965, although accompanied by a smaller carryover from last year, has resulted in an increase in total feed grain supply for 1965-66 to 217 million tons, 10 million more than last year, but about 5 million tons below the 1959-63 average. In addition, wheat feeding is expected to continue near last year's high level of over 3 million tons. The high-protein feed supply is expected to be about 4 percent larger as a result of the prospective increase in soybean meal production. This would give a total feed concentrate supply of about 250 million tons, 10 million more than last year, but slightly below the 1959-63 average.

Domestic use of feed grains in 1965-66 is expected to increase principally as a result of more favorable livestock feed price-ratios and the high moisture content of corn evident in the Corn Belt, which is expected to increase feeding per animal unit over 1964-65. Exports, trending upward in recent years, are expected to increase further in 1965-66--probably by 2 million tons to a little over 23 million tons. The record 1965 feed grain production, however, is expected to exceed total utilization by about 5 million tons, resulting in a carryover of around 60 million tons at the close of the marketing year.

The Food and Agricultural Act of 1965, recently passed by Congress, will have an important bearing on the outlook for feed during the next 4 or 5 years. The Act provides for a feed grain program for 1966 through 1969, that is similar to the programs in effect during the last 5 years. More latitude in determining program provisions is provided the Secretary, including authority to vary the price support payments and to pay price support payments on all or part of the permitted acreage of participants. The Secretary is also authorized to permit substitution between wheat and feed grains, the planting of certain crops on diverted acreage and soybeans on permitted feed grain acreage without loss of price support payments.

The 1965-66 corn supply is estimated at 5,340 million bushels, 262 million more than last year, but 140 million below the 1959-63 average. The 1965 crop of 4,179 million bushels (based on October 1 indications) is expected to exceed total domestic use and exports, increasing the carryover of corn into 1966-67 by around 10 percent from the 1,160 million bushels carried over on October 1, 1965. The sorghum grain supply, estimated at 1,221 million bushels, is 7 percent larger than last year but a little below the record supply of 2 years ago. Some increase is in prospect for sorghum grain stocks. The oat supply is up about 7 percent, halting the downward trend of recent years, while the barley supply is about 4 percent smaller than in 1964-65.

Feed grain prices in 1965-66 are expected to be somewhat below those a year earlier. In 1964-65, the index of prices received by farmers for feed grains averaged 6 percent higher than a year earlier and were 16 percent above the postwar low set in 1960-61. Lower prices are in prospect for 1965-66, principally because of larger production, lower quality corn in the Corn Belt, and a moderate reduction in 1965 loan rates. With the much larger production this year, CCC sales of corn and sorghum grain probably will be smaller than in 1964-65 and market prices of these grains are not expected to advance with the CCC sale price as they did in 1964-65.

Larger supplies and lower prices of high-protein feeds also are in prospect for 1965-66. The record 1965 soybean crop will bring a substantial increase in production of soybean meal, probably increasing the quantity available for domestic feeding from about 9.2 million tons this year to about 9.8 million tons in 1965-66. Exports of soybean meal also are expected to increase somewhat from the record tonnage exported in 1964-65. The larger supply of soybean meal is expected to bring lower prices for soybean meal as well as for high-protein feeds generally.

The 1965-66 hay supply is estimated to be about 3 percent larger than last year with the increased production more than offsetting the smaller carryover. The number of roughage-consuming animal units on farms has been increasing in recent years but may decline slightly in 1965-66. The hay supply per animal unit is 4 percent larger than last year, but is still 3 percent below the 1959-63 average. Large hay supplies in the Western Corn Belt, the South, and a number of Western States has resulted in relatively low prices in those areas. On the other hand, hay supplies are again short in the Northeastern States and prices are relatively high in that area.

PROSPECTS FOR FEED GRAIN SUPPLIES AND UTILIZATION IN 1965-66

Feed Grain Supply Increased 5 Percent by Record Crop

The feed supply for 1965 is estimated at 217 million tons, based on October indications. This is 5 percent larger than in 1964-65 but 2 percent below the 1959-63 average. The larger supply results from the record 1965 crop of 161 million tons, up 24 million from the short crop last year, an increase which more than offsets the 14-million-ton reduction in carryover.

The 1965 harvested acreage of feed grains was down about 1 percent from last year and 23 percent from the 1959-60 level. Yield per acre, on the other hand, resumed the marked upward trend dating back to the mid 1950's. Yield per acre of each of the 4 feed grains reached a record high in 1965. The average yield for the 4 feed grains was 1.62 tons per acre, 18 percent higher than last year and 11 percent above the previous record in 1963.

Disappearance of feed grains, steady at about 151 to 152 million tons during the past 3 years, is expected to increase in 1965-66. Lower feed grain prices and generally favorable livestock-feed price ratios, as well as lower quality corn in some areas of the Corn Belt, are expected to result in an increase in the tonnage fed through heavier feeding per animal unit. Exports are expected to increase in 1965-66, probably by 8 to 10 percent, reaching a record high of over 23 million tons. Total disappearance is now expected to increase to nearly 157 million tons, about 5 or 6 million more than last year and slightly above the 1961-62 record. This, however, would still be nearly 5 million tons below the big 1965 crop increasing the carryover at the close of the 1965-66 marketing year to about 60 million tons. This would be 5 million tons more than at the beginning of the year, but still 25 million less than the record carryover going into 1961-62.

Total Feed Concentrate Supply Up 10 Million Tons

The total supply of all feed concentrates for the 1965-66 feeding year is estimated at 250 million tons, 10 million more than last year, but 2 million below the 1959-63 average. In addition to the larger feed grain supply, continued heavy wheat feeding is in prospect as well as an increase in soybean meal production. The number of grain-consuming animal units to be fed is expected to total close to 167.3 million in 1964-65. The rate of feeding was up slightly in 1964-65 to 0.89 tons per animal unit from the 1963-64 level, and was a little below the record rate in 1960-61 and 1961-62. In 1965-66, the rate of feeding is expected to increase further and the tonnage fed may total around 152 million tons, slightly under the record tonnage fed in 1961-62. This is expected to be made up of 119 million tons of feed grains, up 4 percent from 1964-65; 3.2 million tons of wheat and rye, slightly below 1964-65; 13.0 million tons of oilseed meal, up 5 percent; and 17.3 million tons of other byproduct feeds, slightly smaller than in 1964-65. Allowing for a small

Table 2.--Feed grains: Supply and utilization, United States, marketing years, average 1959-63, annual 1959-65

Item	Average 1959-63	1959	1960	1961	1962	1963	1964 1/	1965 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply 3/								
Carryover								
Under price support	63.3	58.0	65.7	74.7	62.5	55.8	56.6	43.7
Other stocks	9.2	9.5	8.9	10.0	9.3	8.1	12.6	11.6
Total	72.5	67.5	74.6	84.7	71.8	63.9	69.2	55.3
Production	149.0	149.6	155.6	140.6	142.9	156.4	136.9	161.0
Imports 4/	.4	.5	.4	.5	.2	.4	.4	.4
Total supply	221.9	217.6	230.6	225.8	214.9	220.7	206.5	216.7
Utilization 3/								
Livestock feed	120.0	117.2	120.1	123.2	120.5	118.7	115.4	119.1
Food, industry and seed	13.5	13.0	13.1	13.5	13.7	14.0	14.2	14.3
Exports 4/	15.7	12.8	12.7	17.3	16.8	18.8	21.6	23.3
Total	149.2	143.0	145.9	154.0	151.0	151.5	151.2	156.7
Carryover at end of year	72.7	74.6	84.7	71.8	63.9	69.2	55.3	60.0

1/ Preliminary.

2/ Based on indications in October 1965.

3/ Supplies and utilization of corn and sorghum grain during October-September and oats and barley July-June.

4/ Includes grain equivalent of products.

Table 3.--Feed concentrates consumed by quarters, and total per animal unit and per livestock production unit, 1951-64

Year beginning October	Feed concentrates fed					Quantity fed per unit of livestock			
	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total Oct.-Sept.	Grain-consuming animal units	Fed per animal unit	Livestock production units	Fed per production unit
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil.	Ton	Mil.	Ton
1951	38.4	36.4	23.6	25.7	124.1	167.3	.74	181.1	.69
1952	34.4	32.3	22.2	25.1	114.0	158.9	.72	176.4	.65
1953	37.0	30.4	23.1	26.0	116.5	156.9	.74	174.7	.67
1954	32.1	31.1	23.8	29.2	116.2	161.6	.72	183.4	.63
1955	34.4	33.9	24.5	29.1	121.9	165.3	.74	187.7	.65
1956	34.8	34.5	24.3	26.1	119.7	160.9	.74	184.1	.65
1957	36.1	35.1	28.4	29.4	129.0	159.9	.81	186.5	.69
1958	40.8	38.1	30.3	30.3	139.5	167.7	.83	198.2	.70
1959	41.4	40.4	30.7	32.2	144.7	165.7	.87	198.7	.73
1960	41.3	42.2	32.3	34.5	150.3	167.6	.90	202.6	.74
1961	43.5	43.5	31.7	34.2	152.9	169.0	.90	204.7	.75
1962	40.7	46.8	33.0	31.5	152.0	172.8	.88	210.8	.72
1963	40.6	41.9	33.7	35.0	151.2	172.3	.88	213.4	.71
1964 1/	42.8	42.0	31.5	31.8	148.1	167.3	.89	210.2	.70

1/ Preliminary.

Table 4.--Feed concentrate balance, numbers of animal units, and feed per unit, United States, year beginning October, average 1959-63, annual 1960-65

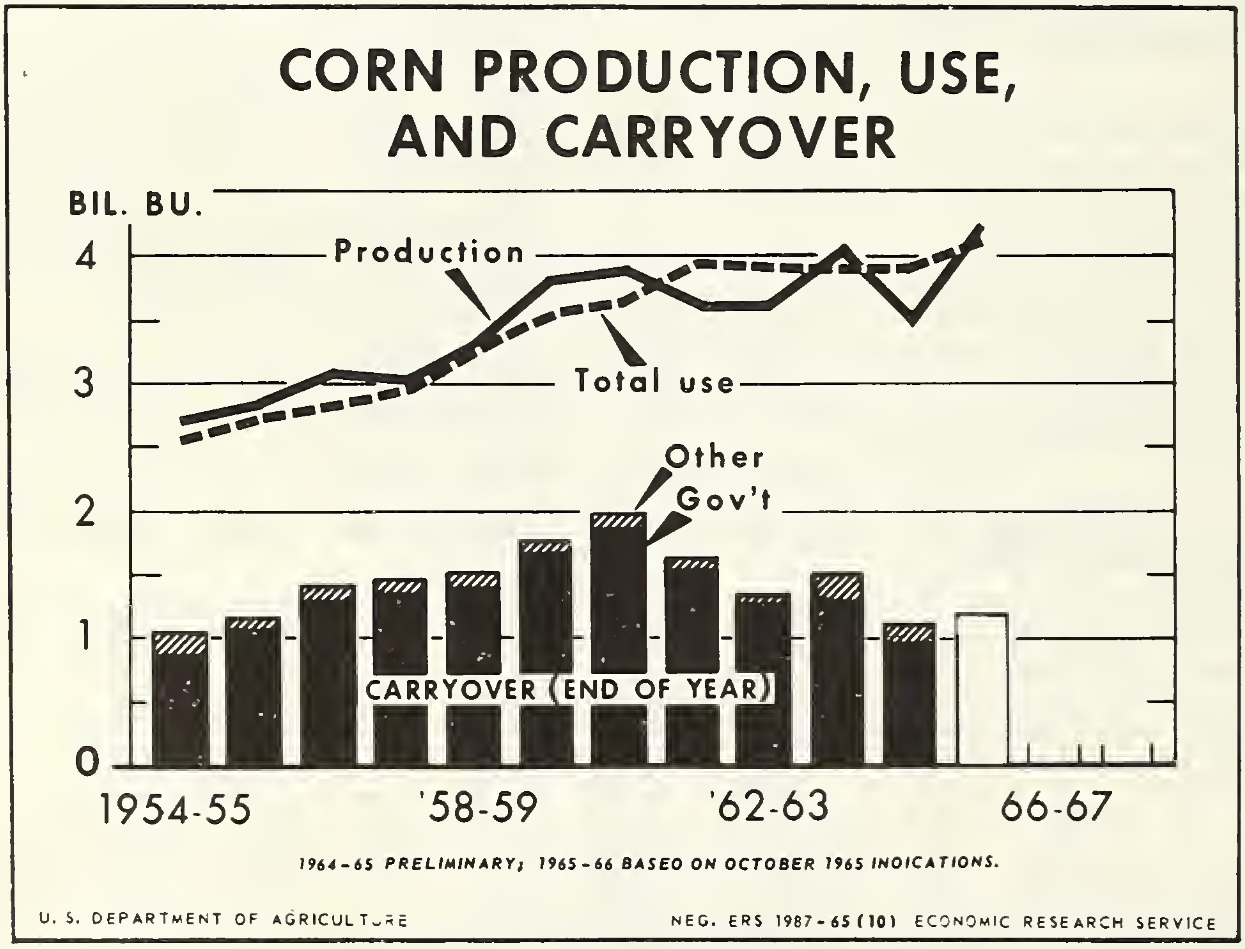
Item	Average 1959-63	1960	1961	1962	1963	1964 1/	1965 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply							
Stocks beginning of year 3/	72.5	74.6	84.7	71.8	63.9	69.2	55.3
Production of feed grains:							
Corn	106.9	109.4	101.5	101.8	114.6	99.4	117.0
Oats	16.7	18.5	16.2	16.3	15.7	14.1	15.9
Barley	10.0	10.3	9.5	10.5	9.7	9.7	9.8
Sorghum grains	15.4	17.4	13.4	14.3	16.4	13.7	18.3
Total production	149.0	155.6	140.6	142.9	156.4	136.9	161.0
Imports of feed grains	.4	.5	.4	.2	.3	.4	.4
Wheat and rye fed	1.6	1.7	1.8	1.4	1.8	3.8	3.2
Byproduct feeds fed	28.9	28.0	28.9	29.8	30.2	29.9	30.3
Total supply	252.4	260.4	256.4	246.1	252.6	240.2	250.2
Utilization, October-September							
Concentrates fed 4/							
Corn	88.0	87.1	91.1	89.7	86.4	84.3	86.8
Oats	14.4	15.6	14.1	14.0	13.5	12.5	13.0
Barley and sorghum grains	17.4	17.9	17.0	17.1	19.3	17.6	19.0
Wheat and rye	1.6	1.7	1.8	1.4	1.8	3.8	3.2
Oilseed cake and meal	12.1	12.0	12.4	12.6	12.3	12.4	13.0
Animal protein feeds	3.2	3.1	3.2	3.3	3.5	3.3	3.2
Other byproduct feeds	13.6	12.9	13.3	13.9	14.4	14.2	14.1
Total concentrates fed	150.3	150.3	152.9	152.0	151.2	148.1	152.3
Feed grains for seed, human food and industry	13.5	13.1	13.5	13.7	14.0	14.2	14.3
Feed grain exports	15.5	12.3	17.6	16.6	18.7	21.9	23.3
Total utilization	179.3	175.7	184.0	182.3	183.9	184.2	189.9
Utilization adjusted to crop year basis	179.7	175.7	184.6	182.2	183.4	184.9	190.2
Stocks at end of crop year 3/	72.7	84.7	71.8	63.9	69.2	55.3	60.0
Supply and utilization per animal unit							
Total supply (Mil. tons)	252.4	260.4	256.4	246.1	252.6	240.2	250.2
Concentrates fed (Mil. tons)	150.3	150.3	152.9	152.0	151.2	148.1	152.3
Grain-consuming animal units (Mil.)	169.5	167.6	169.0	172.8	172.3	167.3	167.0
Supply per animal unit (Ton	1.49	1.55	1.52	1.42	1.47	1.44	1.50
Concentrates fed per animal unit (Ton)	.89	.90	.90	.88	.88	.89	.91

1/ Preliminary.
2/ Preliminary estimates based on indications in October 1965.
3/ Stocks of corn and sorghum grains in all positions on October 1, and oats and barley on July 1.
4/ Total quantities fed in the United States, including domestically produced and imported grains and byproduct feeds.

increase in the quantity of feed grains used for food, industry, and seed, and for a 2-million-ton increase in exports, the total quantity of feed concentrates consumed would increase to about 190 million tons, 6 million more than in 1964-65 and 11 million above the 1959-63 average (table 4).

Corn Supply Up 5 Percent

The 1965-66 corn supply is now estimated at 5,340 million bushels, 5 percent above a year earlier. The 1965 crop, estimated in October at 4,179 million bushels, is 630 million larger than last year's short crop and a little above the previous record crop in 1963. A substantial part of the sharp increase in production, however, was offset by the 368 million bushel drop in carryover stocks. Carryover has declined during 4 of the last 5 years. It was 1,160 million bushels this year, the smallest in 10 years and much below the record carryover of 2.0 billion in 1961. The record crop this year is expected to exceed total utilization, and carryover into 1966-67 is expected to increase to around 1,275 million bushels.



CORN PRODUCTION, USE, AND CARRYOVER

1964-65 PRELIMINARY; 1965-66 BASED ON OCTOBER 1965 INDICATIONS.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 1987-65 (10) ECONOMIC RESEARCH SERVICE

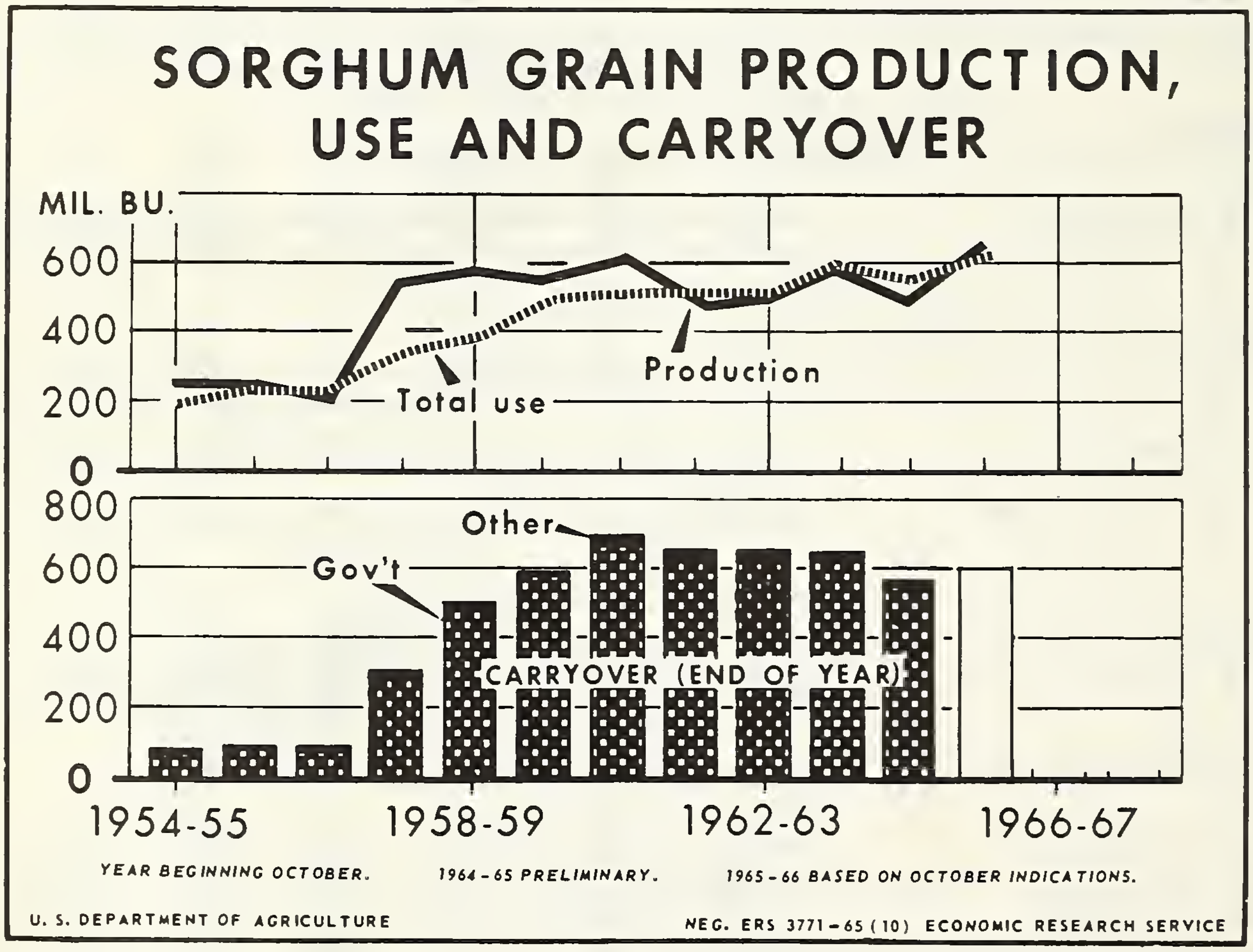
Table 5.--Corn and sorghum grain: Supply and distribution, year beginning October, average 1959-63 and annual 1960-65

Item	Average 1959-63	1960	1961	1962	1963	1964 1/	1965 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
	Corn						
Supply							
Carryover (October 1)	1,661	1,787	2,008	1,640	1,346	1,528	1,160
Production	3,818	3,908	3,626	3,637	4,092	3,549	4,179
Imports	1	1	1	1	1	1	1
Total supply	5,480	5,696	5,635	5,278	5,439	5,078	5,340
Distribution							
Food and Industry 3/							
Wet-process products 4/	170	155	169	179	195	200	200
Dry-process products:							
Breakfast foods	15	15	15	15	15	15	15
Cornmeal, hominy and grits 5/	95	88	96	99	102	104	105
Alcohol and distilled spirits	31	33	36	28	26	28	29
Total	311	291	316	321	338	347	349
Domestic Use							
Food and industrial products 3/	292	275	296	302	315	327	329
Seed	11	11	11	12	11	11	11
Livestock feed 6/	310	3,110	3,253	3,202	3,085	3,010	3,100
Total domestic use	3,443	3,396	3,560	3,516	3,411	3,348	3,440
Exports							
Food and industrial products 3/	19	16	20	19	23	20	20
Grain	356	276	415	397	477	550	605
Total	375	292	435	416	500	570	625
Total utilization	3,818	3,688	3,995	3,932	3,911	3,918	4,065
Carryover at end of year	1,662	2,008	1,640	1,346	1,528	1,160	1,275
	Sorghum grain						
Supply							
Carryover (October 1)	622	581	702	661	655	649	566
Production	550	620	480	510	588	490	655
Total supply	1,172	1,201	1,182	1,171	1,243	1,139	1,221
Domestic Use							
Food and industry 7/	11	11	9	10	11	11	11
Seed	2	2	2	2	2	2	2
Livestock feed 6/	412	415	411	391	474	412	458
Total domestic use	425	428	422	403	487	425	471
Exports (grain only)	98	71	99	113	107	148	150
Total utilization	523	499	521	516	594	573	621
Carryover at end of year	649	702	661	655	649	566	600

1/ Preliminary. 2/ Preliminary estimates based on indications in October 1965. Tentative estimates of utilization and carryover at the end of the year. 3/ Total quantities processed and breakdown between domestic use and exports. 4/ Used in production of starch, sirup and sugar as reported by members of Corn Industries Research Foundation. 5/ Estimated quantities used commercially for food, for brewers' use and for farm household use. 6/ Residual; includes small quantities for other uses and waste. 7/ Alcohol, distilled spirits and wet-processing (not reported separately.)

The increase in production this year resulted from on 18 percent gain in yield per acre. The 57.2 million acres harvested is practically the same as a year earlier and nearly 15 million below the 1959 and 1960 average. But yield per acre was up 11 percent from the previous record high in 1963, resuming the marked upward trend during 1954-63. During 1954-63, corn yields increased at an average rate of nearly 6 percent annually.

Total disappearance of corn in 1965-66 may be around 3 or 4 percent above the 1964-65 level of 3,918 million bushels. Lower corn prices and the much larger crop, with lower quality corn in the northern part of the Corn Belt, probably will result in a little heavier feeding to livestock in 1965-66. Exports are expected to continue their upward trend--probably increasing about 10 percent over the 570 million bushels exported in 1964-65. Total use in 1965-66, estimated at 4,065 million bushels, would be a little larger than in the past 4 years, when it ranged from 3,911 million to 3,995 million bushels.


SORGHUM GRAIN PRODUCTION, USE AND CARRYOVER

YEAR BEGINNING OCTOBER. 1964-65 PRELIMINARY. 1965-66 BASED ON OCTOBER INDICATIONS.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 3771-65 (10) ECONOMIC RESEARCH SERVICE

Sorghum Grain Supply Up 7 Percent

The record 1965 sorghum grain crop of 655 million bushels is up 34 percent from 1964, boosting the supply to 1,221 million bushels. This is 82 million bushels, or 7 percent, more than last year, but slightly below the previous record supply of 1963-64. The carryover of sorghum grain, which has been declining since 1961, was reduced another 83 million bushels during 1964-65 to 566 million, 132 million below the record carryover of 4 years ago.

Domestic use of sorghum grain in 1964-65 was 13 percent below the preceding year, reflecting higher prices and smaller supplies. Exports, however, increased to a record of 148 million bushels, 41 million above a year earlier. Domestic use is expected to increase substantially in 1965-66 as a result of the much larger crop and the lower prices in prospect. Exports probably will at least equal the record movement in 1964-65 and total disappearance is expected to increase 7 percent to over 600 million bushels. This would leave a year-end carryover of about 600 million bushels, up 34 million from beginning stocks.

Larger Oat Crop Interrupts Downward Trend in Supply

Oat production increased 13 percent over the small 1964 crop, halting a 6-year downward trend in supply. The 1965-66 supply is estimated at 1,281 million bushels, 80 million above last year, but nearly 70 million below the 1959-63 average. Domestic use of oats has declined about 35 percent in the past decade. Domestic use in 1965-66 probably will increase a little from the low level a year earlier. Exports have increased sharply so far in 1965-66 from the low level of the past 2 years. Even with larger disappearance in 1965-66, the carryover into 1966-67 probably will be somewhat above the 283 million bushels carried over on July 1, 1965.

Barley Supply Smallest Since 1956

The barley supply for 1965-66 is estimated at 525 million bushels, 4 percent less than last year and the smallest since 1956. Barley acreage has been reduced about a third from the 1959-60 level, somewhat more than other feed grains, due in part to the substitution provisions of the Feed Grain Program. Production also has declined from the high 1957-60 level, but the reduction in acreage has been partly offset by increasing yield per acre. The 1965 crop of 408 million bushels was about equal to production in 1963 and 1964, and only 2 percent below the 1959-63 average.

With barley prices continuing relatively high this year, the quantity fed probably will be down a little. Exports have been declining in recent years and probably will be down to around 50 million bushels in 1965-66. Disappearance is now expected to be around 425 million bushels, about equal to production

Table 6.--Oats and barley: Supply and distribution, year beginning July, average 1959-63, annual 1960-65

Item	Average 1959-63	1960	1961	1962	1963	1964 1/	1965 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
	Oats						
Supply							
Carryover July 1	302	267	325	277	274	315	283
Production	1,044	1,155	1,011	1,020	979	882	994
Imports 3/	2	1	1	4	4	4	4
Total supply	1,348	1,423	1,337	1,301	1,257	1,201	1,281
Distribution							
Breakfast food 4/	43	42	43	43	44	44	45
Domestic Use							
Breakfast food 4/	41	40	41	42	43	43	44
Seed	76	83	76	73	67	64	62
Livestock feed 5/	914	946	922	888	826	806	825
Total domestic use	1,031	1,069	1,039	1,003	936	913	931
Exports							
Breakfast food 4/	2	2	2	1	1	1	1
Grain	23	27	19	23	5	4	24
Total exports	25	29	21	24	6	5	25
Total utilization	1,056	1,098	1,060	1,027	942	918	956
Carryover at end of year	292	325	277	274	315	283	325
	Barley						
Supply							
Carryover July 1	158	167	153	124	147	134	102
Production	418	431	396	436	406	403	408
Imports 3/	14	15	20	5	13	12	15
Total supply	590	613	569	565	566	549	525
Domestic Use							
Industrial alcohol and alcoholic beverages	87	85	87	86	90	95	95
Food products 6/	6	6	6	6	6	6	6
Seed	23	25	23	22	19	17	16
Livestock feed 5/	244	258	245	237	246	269	258
Total domestic use	360	374	361	351	361	387	375
Exports							
Barley products	3	3	2	3	3	2	2
Grain	82	83	82	64	68	58	48
Total	85	86	84	67	71	60	50
Total utilization	445	460	445	418	432	447	425
Carryover at end of year	145	153	124	147	134	102	100

1/ Preliminary.

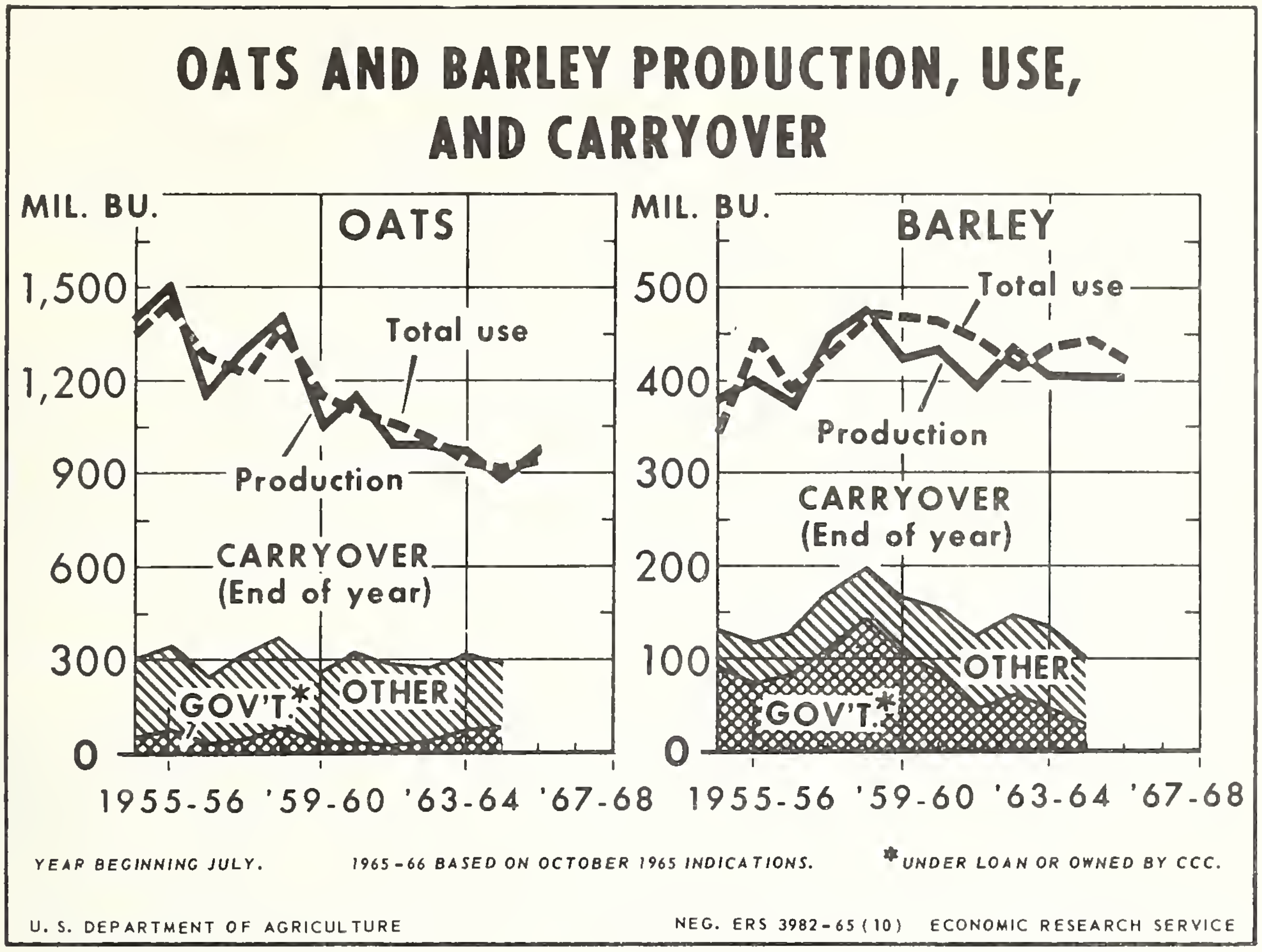
2/ Preliminary estimates based on conditions in October 1965. Tentative estimates of utilization and carryover at end of the year.

3/ Includes grain equivalent of products.

4/ Total processed into oatmeal and prepared oat cereals and breakdown between domestic use and exports.

5/ Residual; includes small quantities for other uses and waste.

6/ Includes malt and pearl barley used for food.



plus imports resulting in little change in carryover. Total use has been above production (plus imports) in 5 of the last 6 marketing years. Carryover stocks have declined from 196 million bushels in 1959 to 102 million on July 1, 1965.

Wheat Feeding Highest in Recent Years

Feeding of wheat in the 1965-66 (October-September) feeding year is expected to continue large though it may decline from the 120 million bushels estimated for the 1964-65 feeding year. During July-September 1965, wheat feeding was estimated to be up materially from a year earlier and the heaviest for the period in 10 years. Much of the increase in feeding is in the wheat-producing areas, which ordinarily depend on shipped-in feed grains for livestock feeding. Wheat prices in some Eastern, Southern, and Western States have been near or below feed grain prices, even with no allowance for the higher feeding value of wheat. In Pennsylvania and Maryland, corn prices during July-September averaged more than 30 cents per cwt. above wheat, and were nearly 10 cents higher in North Carolina and Arkansas (table 9). In Oregon and Washington, barley prices averaged near those of wheat. Corn prices in many Midwestern States and sorghum grain prices in the Southwest continued to be lower than wheat, but the difference in many of the States was reduced from a year earlier. Feed grain prices probably will be lower in relation to wheat this fall and winter and feeding is expected to decline from the high July-September level.

The lower wheat prices primarily resulted from the reduced loan level for wheat, which became effective with the 1964 crop. The national average loan rate was $1.30 per bushel for 1964 and $1.25 for 1965-crop wheat. The 1965 Wheat Program, for the first time, permitted substitution between wheat and feed grain acreages. This has made more wheat available for feeding especially in the Northwest at prices competitive with feed grains, despite the large feed grain crops this year.

More Feed Grains Produced in all Regions

This year's feed grain production is above the 1964 level in all regions of the country, on the basis of October 1 indications. The largest increase, 20 percent, occurred in the Midwestern States, and the smallest, at 6 percent, in the Western States. Grain-consuming livestock units in 1965-66 are expected to be close to the 1964-65 levels in most of the regions. The larger production has increased the availability of feed per animal over last year and above the 1959-63 average in most areas. For the U. S. feed grain production per grain-consuming animal unit this year is estimated at 0.97 ton, substantially above 1964 and the 5-year average of 0.88 ton.

Production of feed grains in the North Atlantic Region was estimated in October at 3.1 million tons, 7 percent above 1964, but 3 percent below the 1959-63 average (table 7). This would be 0.27 ton per grain-consuming animal unit, a little above 1964 and average. In the South Atlantic Region, the feed grain crop was up 14 percent from 1964 and well above average. Grain-consuming livestock units are virtually unchanged, giving an output per animal unit of 0.44 ton, about 12 percent above last year and average.

For the North Central States, feed grain production was estimated at a record-high 124.5 million tons, 20.6 million above the small 1964 crop and slightly above the previous big crop in 1963. Output in the East North Central Region was up 23 percent from 1964 and 19 percent above the 5-year average. In the West North Central Region production was 18 percent larger than last year but only 2 percent above average. Corn production in the North Central Region was estimated at 3,547 million bushels, exceeding last year's crop by

Table 7.--Feed grain production: Total and per animal unit, by regions, average 1959-63, annual 1960-65

Year	Production 1/	Grain-consuming animal units	Production per animal unit 1/	Production 1/	Grain-consuming animal units	Production per animal unit 1/
	1,000 tons	Mil. units	Tons	1,000 tons	Mil. units	Tons
	North Atlantic Region 2/			South Atlantic Region 2/		
Average 1959-63	3,208	12.1	.27	7,357	19.4	.38
1960	3,407	12.3	.28	7,869	18.9	.42
1961	3,429	12.1	.28	7,276	19.3	.38
1962	2,848	11.9	.24	6,823	19.9	.34
1963	2,913	11.6	.25	7,387	20.2	.37
1964 3/	2,904	11.3	.26	7,988	20.5	.39
1965 4/	3,107	11.3	.27	9,069	20.5	.44
	East North Central Region 2/			West North Central Region 2/		
Average 1959-63	46,171	39.5	1.17	68,737	60.0	1.15
1960	46,694	39.4	1.19	73,207	59.2	1.24
1961	43,178	39.4	1.10	63,543	59.8	1.06
1962	45,751	40.1	1.14	66,063	61.1	1.08
1963	49,596	39.3	1.26	73,472	61.2	1.20
1964 3/	44,617	36.6	1.22	59,264	58.9	1.01
1965 4/	54,758	36.6	1.50	69,787	58.7	1.19
	South Central Region 2/			Western Region 2/		
Average 1959-63	15,612	24.9	.63	7,950	13.6	.58
1960	16,692	24.4	.68	7,749	13.4	.58
1961	15,713	24.8	.63	7,487	13.6	.55
1962	13,132	25.7	.51	8,282	14.1	.59
1963	15,131	26.0	.58	7,933	14.0	.57
1964 3/	13,968	26.0	.54	8,131	14.0	.58
1965 4/	15,713	25.9	.61	8,602	14.0	.61

1/ Includes corn harvested for grain only.

2/ North Atlantic - Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania.

East North Central - Ohio, Indiana, Illinois, Michigan, Wisconsin.

West North Central - Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.

South Atlantic - Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida.

South Central - Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas.

Western - Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California.

3/ Preliminary.

4/ Based on indications in October, 1965.

569 million and the 5 year average by 310 million. Grain-consuming animal units to be fed this year in the Midwest are expected to be close to the 1964-65, level. Production per animal unit is expected to be well above last year and average--especially in the Eastern Corn Belt.

Feed grain production in the South Central Region was placed at 15.7 million tons, 11 percent above 1964 output and slightly above average. Much of the increase is due to the larger sorghum grain crop in Texas and Oklahoma. The Texas sorghum grain crop was estimated at 266 million bushels, up 50 million. Grain-consuming animals in the region during 1965-66 are expected to change little from the past 2 or 3 years. Thus, feed grain production per animal unit is about in line with the increase in the crop.

In the Western States, feed grain production was estimated at 8.6 million tons, 6 percent above 1964 and 8 percent above average. Barley, the principal feed grain crop in this area, was down slightly, but this was more than offset by prospects of increased output of other feed grains. Grain-consuming animal units have been relatively stable at about 14.0 million during the past 3 years, and probably will not change materially in 1965-66. Production per animal unit will be about in line with the increase in feed grain output.

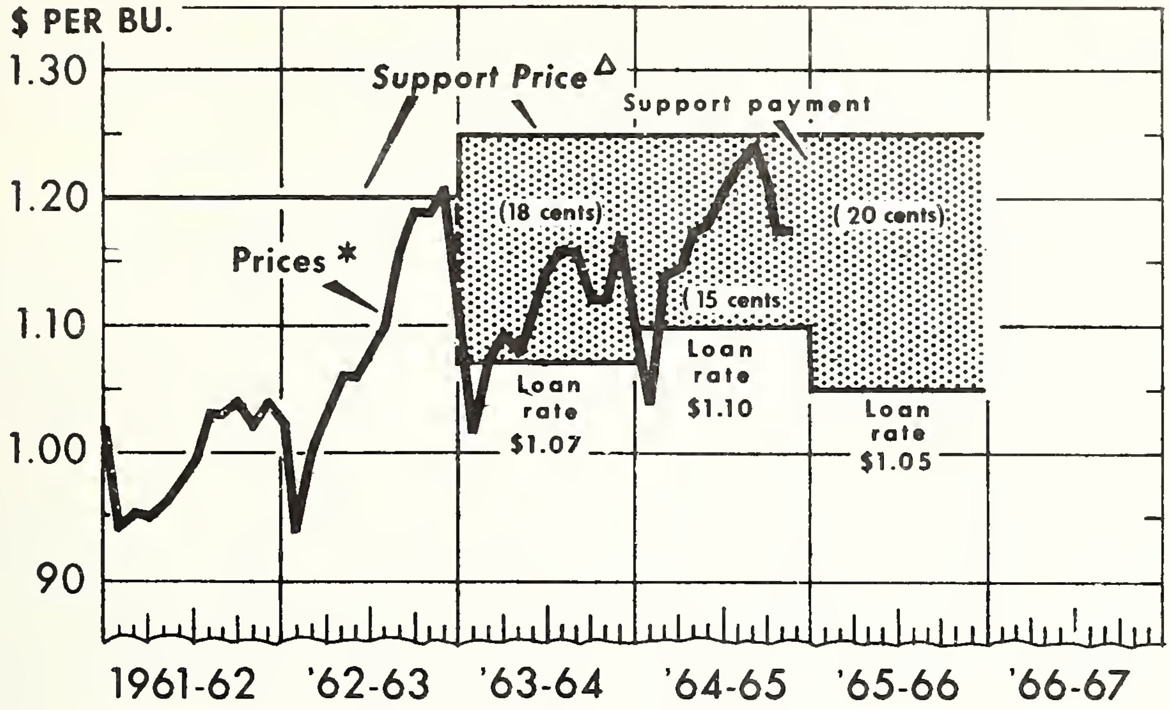
DEMAND AND PRICE PROSPECTS FOR FEED GRAINS

Lower Feed Grain Prices In Prospect for 1965-66

Feed grain prices are expected to average a little below 1964-65, when prices received by farmers, at 107 percent of the 1957-59 average, were the highest since 1956-57. Much larger feed grain production and the lower loan rates are the major factors influencing prices this year. The 1965 crop is estimated to be more than ample for 1965-66 requirements. In 1964-65, heavy sales from CCC stocks were required to take care of domestic and export requirements and prices rose in line with minimum CCC sales prices. Because of the much larger production, similar advances are not expected in 1965-66.

Average prices received by farmers for corn rose from $1.04 per bushel in November 1964 to $1.24 in June 1965. Prices in January-June were about the same as the CCC sales price, which was based on $1.10 per bushel in October plus 1½ cents per month for carrying charges. The U. S. average CCC sales price for October this year is based on the loan rate of $1.05 per bushel plus a 4¼ cents charge for movement into storage. Thus, the basic CCC sales price this year is down only slightly. Corn prices, however, are expected to average lower than the CCC sales price and nearer the 1965 loan rate of $1.05 than was the case in 1964-65. Last year, the season average price was 6 cents above the loan rate of $1.10 per bushel.

CORN PRICES AND SUPPORT LEVELS



YEAR BEGINNING OCTOBER. △ NATIONAL AVERAGE.
* MONTHLY AVERAGE PRICES RECEIVED BY FARMERS.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 2088-65 (10) ECONOMIC RESEARCH SERVICE

Sorghum grain prices have declined sharply with the harvesting of the record 1965 crop. Prices received by farmers dropped 23 cents per cwt. from June to October. The price of No. 2 Milo at Kansas City declined 26 cents per cwt. from early August to the end of October. The average price received by farmers in October was $1.74 per cwt., 12 cents lower than a year ago and 15 cents below the average price received for corn. Sorghum grain prices are expected to average lower in relation to corn this year than in 1964-65. The much larger sorghum crop this year, the reduction in the loan rate from $1.77 to $1.65 per cwt., and the lower CCC sales price are major factors putting downward pressure on sorghum grain prices. Prices received by farmers for sorghum grain in 1965-66 are expected to average nearer the loan rate of $1.65 per cwt. than in 1964-65, when the season average price of $1.89 per cwt. was 12 cents above the loan rate.

Table 8 .--Feed grains: Average wholesale prices, by weeks, July-October, 1964 and 1965 1/

Period	Corn, Yellow, Chicago						Oats, No. 2 Minneapolis		Barley, No. 3: Minneapolis		Milo, No. 2 Kansas City	
	1964			1965								
	No. 2	No. 3	No. 5	No. 2	No. 3	No. 5	1964	1965	1964	1965	1964	1965
	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per bu.	Dol. per cwt.	Dol. per cwt.
July 2	1.27	1.27	1.26	1.37	1.35	---	.644	.693	1.08	1.28	2.14	---
9	1.26	---	---	1.34	1.33	---	.641	.667	1.10	1.27	2.16	2.11
16	1.24	---	---	1.33	1.32	---	.618	.656	1.10	1.22	2.16	2.12
23	1.23	---	---	1.33	---	---	.607	.664	1.08	1.19	2.18	2.13
30	1.23	1.22	1.22	1.33	1.32	---	.622	.656	1.08	1.21	2.14	2.15
August 6	1.25	1.23	1.24	1.31	1.32	1.24	.612	.658	1.06	1.29	2.09	2.13
13	1.25	1.24	1.24	1.29	1.30	1.23	.609	.654	1.03	1.29	2.03	2.08
20	1.26	1.25	1.25	1.28	1.26	1.19	.632	.636	1.08	1.23	2.08	2.06
27	1.28	1.27	1.27	1.30	1.27	1.20	.647	.633	1.11	1.25	---	2.10
September 3	1.29	1.28	1.26	1.34	1.29	1.27	.668	.643	1.14	1.24	2.20	1.97
10	1.29	1.29	1.26	1.33	1.30	1.26	.679	.657	1.14	1.23	2.09	---
17	1.30	1.29	1.27	1.31	1.30	1.22	.684	.641	1.16	1.25	2.09	1.92
24	1.29	1.25	---	1.32	1.31	1.28	.675	.664	1.19	1.27	2.10	1.93
October 1	1.27	1.24	1.20	1.30	1.26	1.20	.686	.654	1.20	1.31	2.09	1.93
8	1.27	1.24	1.17	1.27	1.24	---	.692	.653	1.16	1.28	2.09	1.87
15	1.24	1.24	1.13	1.27	1.24	1.20	.690	.646	1.19	1.25	2.11	1.87
22	1.22	1.19	1.13	1.22	1.17	---	.677	.646	1.22	1.26	2.07	1.87

1/ Average prices weighted by carlot sales.

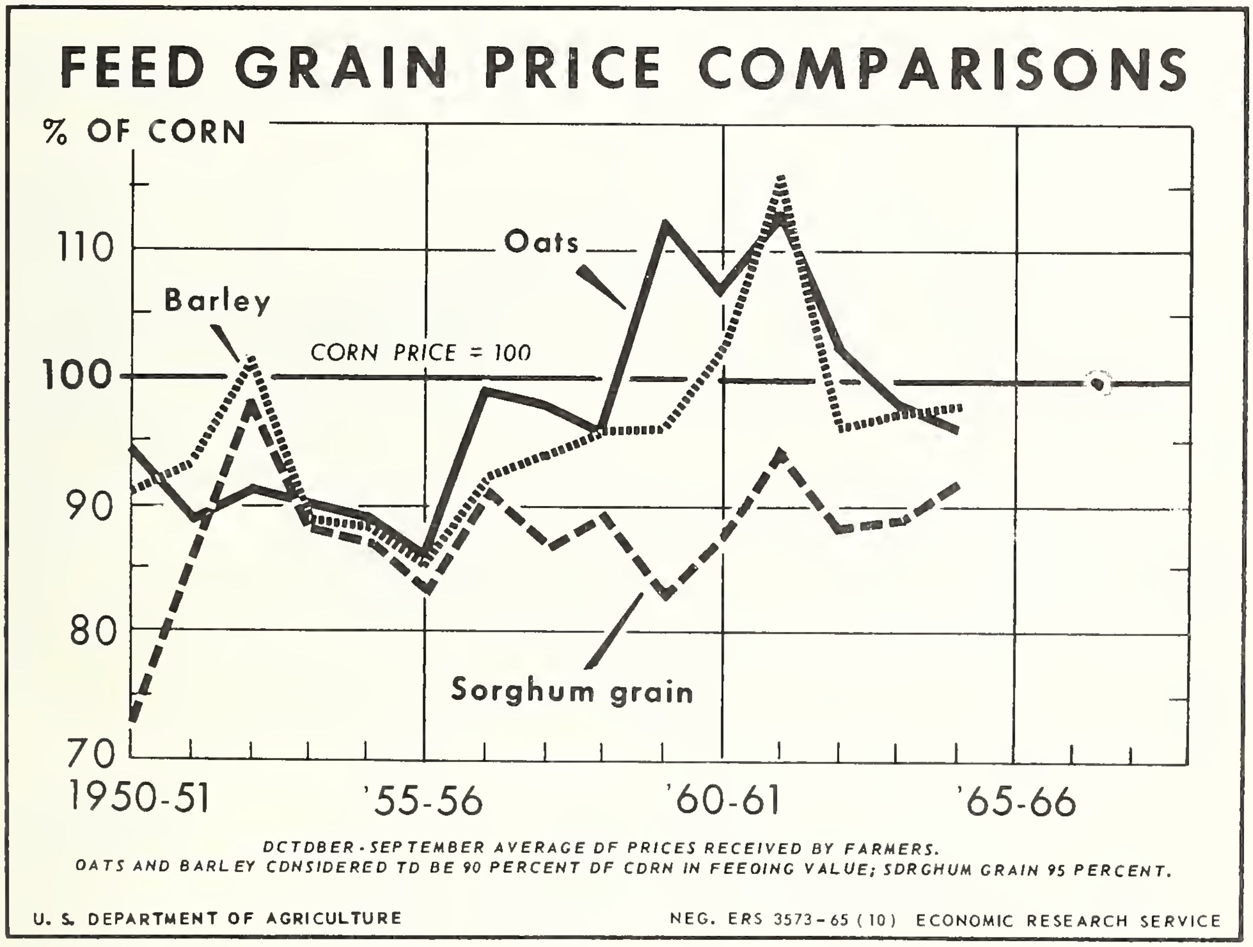
Table 9.--Wheat and Feed Grains: Prices received by farmers in selected States, July-September, 1964 and 1965

State	Feed grain 1/	1964			1965		
		Wheat	Feed grain	Difference	Wheat	Feed grain	Difference
		Dol. per 100 lbs.	Dol. per 100 lbs.	Dol. per 100 lbs.	Dol. per 100 lbs.	Dol. per 100 lbs.	Dol. per 100 lbs.
Pennsylvania	Corn	2.20	2.48	- .28	2.23	2.54	- .31
Maryland	Corn	2.08	2.43	- .35	2.12	2.44	- .32
North Carolina	Corn	2.27	2.32	- .05	2.29	2.37	- .08
Arkansas	Corn	2.18	2.23	- .05	2.19	2.27	- .08
Ohio	Corn	2.18	2.11	.07	2.32	2.21	.11
Illinois	Corn	2.30	2.05	.25	2.31	2.15	.16
Minnesota	Corn	2.48	1.96	.52	2.52	1.98	.54
Missouri	Corn	2.28	2.09	.19	2.28	2.21	.07
Nebraska	Corn	2.18	2.02	.16	2.18	2.09	.09
Kansas	Sorghum grain	2.23	1.77	.46	2.23	1.90	.33
Texas	Sorghum grain	2.42	1.81	.61	2.28	1.87	.41
Colorado	Corn	2.13	2.25	- .12	2.14	2.29	- .15
Montana	Barley	2.12	1.52	.60	2.00	1.73	.27
Idaho	Barley	2.12	1.92	.20	2.09	2.01	.08
Oregon	Barley	2.30	2.08	.22	2.21	2.21	.00
Washington	Barley	2.23	1.92	.31	2.14	2.11	.03

1/ Price comparisons are for wheat and the feed grains listed, both converted to dollars per 100 pounds. No adjustment has been made for difference in feeding value. Relative feeding value of these grains were reported as follows: Corn 1.00; wheat 1.05; barley 0.90; sorghum grain 0.95; Consumption of Feed by Livestock, Production Research Report No. 79, ERS, USDA.

Prices received by farmers for oats averaged 61 cents per bushel during July-September, 2 cents above a year earlier. Oat prices, however, have advanced less than seasonally since August and in October the U. S. average price of 62 cents per bushel, was the same as a year earlier. Oat prices probably will average below a year earlier during the remainder of the marketing year. Oat prices have declined in relation to corn since 1961-62. In July-September, prices received by farmers for oats per 100 pounds averaged 90 percent of corn, the lowest for that quarter since 1958. With lower corn prices in prospect, oat prices are expected to be relatively higher than corn this fall and winter.

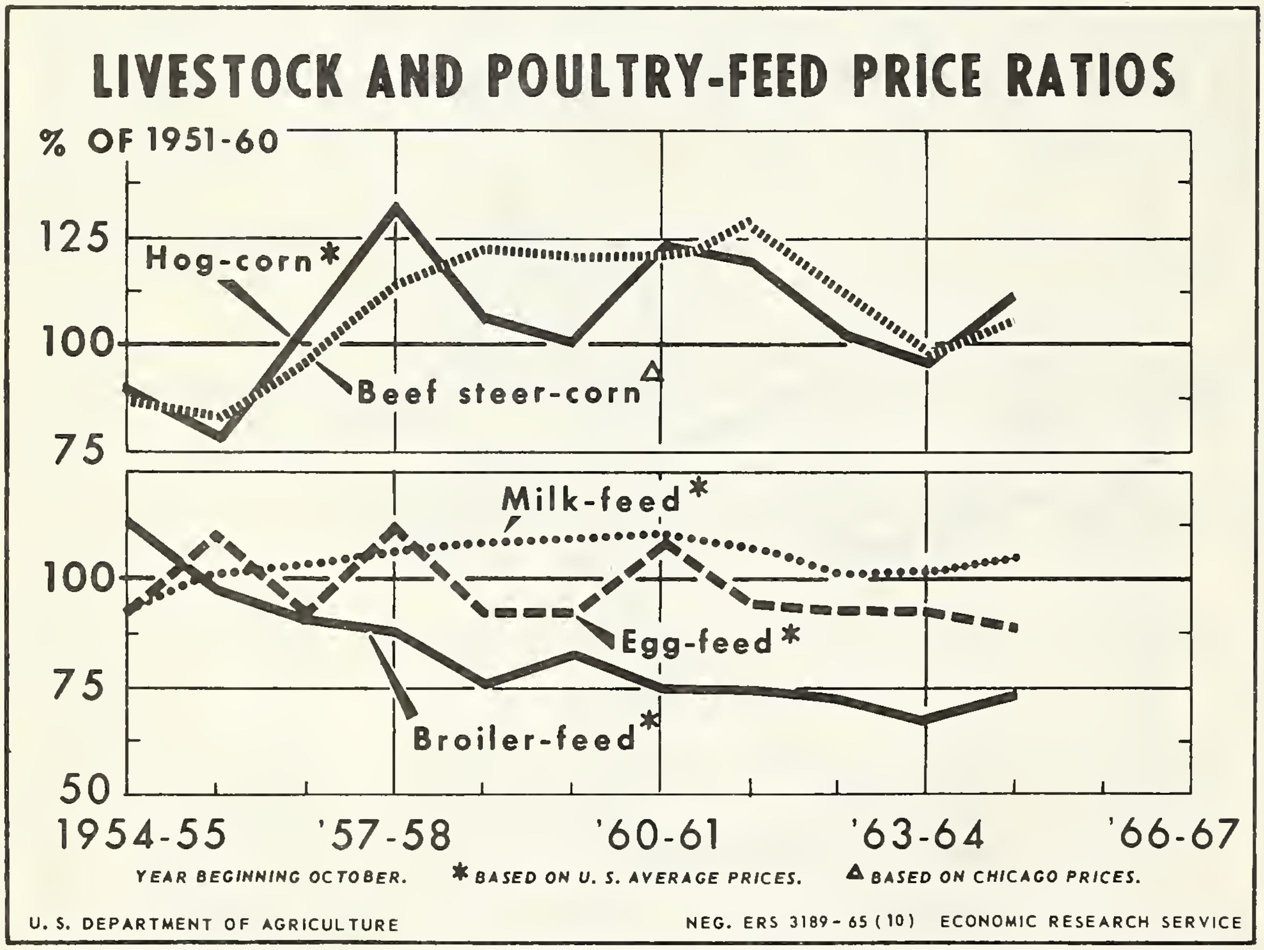
Barley prices this year have been influenced by below-average production and reduced carryover. Prices received by farmers in July-September averaged about $1.00 per bushel, the highest for the quarter since 1954. Barley prices are expected to continue high in relation to corn and other feed grains this year, but they may show little seasonal rise from the July-September level. In October, barley prices per 100 pounds were 9 percent higher than corn.



Favorable Livestock-Feed Price Ratios in Prospect

Higher livestock prices in prospect for 1965-66 and lower feed grain prices are expected to result in generally favorable livestock-feed price ratios. In October, average prices received by farmers for livestock and livestock products were 14 percent above a year earlier, while feed grain prices were down slightly. Much of the increase has been in meat animal prices (principally hogs and cattle) which were nearly a fourth above a year earlier in October.

The hog-corn price ratio has increased sharply since early 1965. During July-October, the hog-corn ratio, based on prices received by farmers, averaged 19.8 compared with 14.0 in that period last year and the 1954-63 average of 14.5. The favorable outlook for hog prices during the 1965-66 marketing year, along with prospects for lower corn prices, is expected to result in a continuation of a favorable hog-corn ratio during the rest of the feeding year.



Beef steer prices also have increased sharply in relation to corn prices during the past year. The beef steer-corn price ratio was generally below average during 1963,1964, and in early 1965. The increase in price of slaughter cattle, however, resulted in the Chicago beef steer-corn price ratio rising from 18.2 in March to well above the 10-year average of 20.0 during August-October and it probably will continue above average during most of the 1965-66 feeding year.

Prices received by farmers for milk were slightly higher in relation to feed prices in October than a year earlier and higher than the 10-year average. The milk-feed price ratio probably will continue a little more favorable to dairy farmers in 1965-66. The egg-feed price ratio also was a little more favorable to poultrymen this fall, but continues below the 1959-63 average. Egg prices probably will be a little higher in relation to feed cost this winter and spring than a year earlier, but they probably will continue below the 5-year average. The broiler-feed price ratio has declined a little from the favorable level last summer. In 1965-66, broiler prices may be a little lower in relation to feed costs during the past year.

Little Change in Prospect for Grain-Consuming Livestock Units

The number of grain-consuming animal units to be fed in 1965-66 is expected to total around 167 million, close to the 167.3 million of last year. Hog numbers in terms of grain-consuming animal units are expected to be lower in 1965-66, but the decline probably will be somewhat less than the 8 percent drop from 1963-64 to 1964-65. The favorable hog-corn price ratio of recent months probably will induce producers to feed their hogs to heavier weights. This and the prospective larger spring pig crop would bring expanded hog production in the last half of 1966.

Table 10.--Grain-consuming animal units, United States, year beginning October, average 1959-63, annual 1960-65

Type of livestock	Average 1959-63	1960	1961	1962	1963	1964 1/	1965 2/
	Mil. units	Mil. units	Mil. units	Mil. units	Mil. units	Mil. units	Mil. units
Dairy cattle	23.1	23.6	23.4	22.7	22.0	21.4	21.0
Cattle on feed	16.8	15.9	16.5	18.2	18.6	18.7	19.1
Other cattle	10.3	9.7	10.1	10.7	11.3	11.6	11.4
Hogs	66.3	64.6	66.1	68.0	66.3	60.9	59.3
Poultry	48.2	48.9	48.1	48.5	49.4	50.1	51.8
Sheep	1.1	1.2	1.1	1.0	1.0	0.9	0.8
Horses and mules	3.7	3.7	3.7	3.7	3.7	3.7	3.6
Total	169.5	167.6	169.0	172.8	172.3	167.3	167.0

1/ Preliminary. 2/ Based on October 1965 indications.

Cattle feeding about leveled off during the past 2 years, but may rise a little in 1965-66. The number of cattle on feed October 1 was 7 percent above a year earlier. Prospects for cattle prices to continue above a year earlier and for lower feed prices this winter and spring will encourage more liberal grain feeding.

The number of dairy cattle has been trending downward since 1953, and a further decline is likely in 1965-66. Although dairymen are feeding fewer cows, they are feeding increasingly more grain and other feed concentrates per cow has gone up about 70 percent in the past decade and the quantity per 100 pounds of milk produced, about a fifth. On October 1, 8.1 pounds of concentrates were fed per cow in reporting herds, up 7 percent from a year earlier.

Poultry, in terms of grain-consuming animal units in 1965-66, likely will increase for the fourth consecutive year. Demand for broilers in 1965-66 probably will continue fairly strong, as red meat supplies are expected to continue light with prices above 1964-65 levels. Some increase is likely in the size of the laying flock, and turkey production also may increase. If these increases are realized, more feed will be required for poultry in 1965-66.

Heavier Feeding Per Animal Unit Likely

Relatively lower feed costs may result in somewhat heavier feeding per animal unit during 1965-66. During 1956-61, when feed prices were relatively low, the rate of feeding rose from 0.74 to 0.90 ton per animal unit. With increasing feed prices during 1961-64, livestock-feed price ratios generally became less favorable, and the rate of feeding per animal unit declined slightly. With the more favorable feeding ratios in prospect for 1965-66, the rate of feeding probably may increase above the previous record high of 0.90 ton.

Much of this increase in the rate of feeding per animal probably will be in heavier feeding of beef cattle and hogs. Data on the rate of feeding dairy cows indicate a continuation of the upward trend in the quantity of feed consumed per cow during 1962-64. This may be due in part to the fact that milk prices have been more favorable in relation to feed costs than those of other livestock products in the past 3 years. It is also due to the continued increase in milk production per cow and the accompanying increase in the feed concentrates required by the higher producing dairy cows.

HAY SUPPLIES AND PRICES

Record Hay Crop Raises Supply Slightly Above Last Year

Rainfall over much of the country late in the summer improved prospects for this year's hay production. The crop, estimated on the basis of October 1 indications, will total 123.2 million tons, 6.9 million above last year and 1.7 million more than the previous record crop in 1962. The increase this year is due largely to record-high yields. The acreage harvested is up only a shade from 1964. Yield per acre was estimated at 1.81 tons, 6 percent above the year before and 4 percent above average. The larger crop more than offsets the 3.3-million-ton reduction in May 1 stocks, giving a total supply of 139.5 million, 3.6 million higher than a year earlier, and a little above average.

The number of roughage-consuming animals to be fed in 1965-66 is estimated at 101 million units, down 1 percent from last year and halting the upward trend of the past several years. The supply per animal unit will total 1.37 tons, 4 percent higher than last year, but 3 percent below the 1959-63 average. Disappearance of hay per animal unit in 1965-66 may be a little higher than the relatively narrow 1.16-1.17 ton range of the past 3 years.

Hay Supplies Higher Than Average In South and West; Below in East

In contrast to last year, 1965 hay supplies are above the 5-year average in most areas except in the Eastern Corn Belt and the North Atlantic Region. A favorable growing season this year increased supplies to about 15 percent above the 5-year average in the South and to 7 percent above in Western States.

Hay supplies in the West North Central States--the major hay producing area--were estimated at 49.7 million tons, slightly above last year and average (table 12). The number of roughage-consuming animal units to be fed in 1965-66 was placed at 30.4 million, down slightly from a year earlier. This reduction, together with the increased hay prospects, would give a supply per unit of 1.63 tons, 4 percent above 1964-65, but 4 percent below average for the region. In the East North Central States, supplies of hay were estimated at 25.6 million tons, unchanged from 1964-65. Hay supplies per animal unit in this area have declined from 2.12 tons in 1961-62 to an estimated 1.95 in 1965-66.

Although rainfall during the late summer helped hay crops in many North Atlantic States, it arrived too late to overcome drought conditions which prevailed earlier in the summer. This was the fourth consecutive year in which dry weather held hay production below average for the area. Hay supplies for this region were estimated at 12.0 million tons, down slightly from 1964-65, and 15 percent below average. The number of roughage-consuming animals is estimated to be down slightly from last year and 6 percent below average. This would give a hay supply of 2.46 tons per animal unit, about the same as in 1964-65, but 9 percent below average.

In the South Atlantic States, the hay supply is up moderately from the short supplies in 1963 and 1964 and is close to the 1959-63 average. This has raised the hay supply per animal unit above the past 2 years to about in line with the 5-year average of 0.98 ton. Supplies of hay in the South Central States are up 9 percent from last year and 15 percent above the 1959-63 average. With prospects of fewer roughage-consuming animals and a larger hay crop, the supply per animal unit is about 10 percent above last year and average.

Table 11.--Hay supply and disappearance per animal unit, United States, average 1959-63, annual 1958-65 1/

Year beginning May	Production	Carryover May 1	Total supply	Disappearance	Roughage consuming animal units 1/	Supply per animal unit	Disappearance per animal unit
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Thousands	Tons	Tons
Average 1959-63	116,739	21,408	138,147	117,932	98,128	1.41	1.20
1958	120,100	26,198	146,298	120,757	92,516	1.58	1.31
1959	110,978	25,541	136,519	119,418	94,750	1.44	1.26
1960	118,236	17,101	135,337	112,063	95,578	1.42	1.17
1961	116,819	23,274	140,093	122,079	97,417	1.44	1.25
1962	121,566	18,014	139,580	116,472	100,247	1.39	1.16
1963	116,095	23,108	139,203	119,626	102,646	1.36	1.17
1964 2/	116,332	19,577	135,909	119,666	102,795	1.32	1.16
1965 3/	123,248	16,243	139,491		101,498	1.37	

1/ Roughage-consuming animal units fed annually. 2/ Preliminary. 3/ Based on October 1 indications.

Table 12.--Hay Supply: Total and per animal unit, by regions, average 1959-63, annual 1960-65

Year	Supply 1/	Roughage-consuming animal units	Supply per animal unit	Supply 1/	Roughage-consuming animal units	Supply per animal unit
	1,000 tons	Thousands	Tons	1,000 tons	Thousands	Tons
	North Atlantic Region			South Atlantic Region		
Average 1959-63	14,017	5,326	2.63	6,320	6,455	.98
1960	15,001	5,403	2.78	6,392	6,378	1.00
1961	15,324	5,417	2.83	6,860	6,432	1.07
1962	12,241	5,314	2.30	6,214	6,517	.95
1963	12,598	5,157	2.44	5,121	6,554	.78
1964 2/	12,225	5,055	2.42	5,866	6,595	.89
1965 3/	11,974	4,991	2.40	6,330	6,512	.97
	East North Central Region			West North Central Region		
Average 1959-63	27,808	13,405	2.07	48,249	28,547	1.69
1960	28,403	13,380	2.12	46,188	27,255	1.69
1961	28,414	13,379	2.12	47,316	28,361	1.67
1962	27,985	13,443	2.08	51,313	29,528	1.74
1963	26,433	13,427	1.97	50,902	30,632	1.66
1964 2/	25,616	13,319	1.92	47,945	30,823	1.56
1965 3/	25,647	13,151	1.95	49,681	30,434	1.63
	South Central Region			Western Region		
Average 1959-63	13,164	24,232	.55	28 589	20,163	1.42
1960	12,396	23,599	.53	26,957	19,563	1.38
1961	13,993	24,100	.58	28,186	19,728	1.43
1962	12,825	24,892	.52	29,002	20,553	1.41
1963	13,215	25,562	.52	30,934	21,314	1.45
1964 2/	13,908	25,672	.54	30,349	21,331	1.42
1965 3/	15,158	25,348	.60	30,701	21,062	1.46

1/ Production plus farm stocks on May 1. 2/ Preliminary. 3/ Preliminary, based on October indications. For State breakdown of regions see table 7.

In the Western States, hay supplies were estimated at 30.7 million tons, slightly higher than a year earlier and 7 percent above average. Roughage-consuming animal units were placed at 21.1 million, down 1 percent from last year, but 4 percent above average. Both hay supplies and number of roughage-consuming livestock generally have expanded during recent years, and a stable hay supply of 1.4 tons per animal unit has been maintained in the region.

Record Alfalfa Crop Makes Up Nearly 60 Percent of All Hay

The 1965 alfalfa hay crop, estimated in October at 73.0 million tons, was 5 percent above last year and slightly above the previous record in 1962. Alfalfa hay normally makes up more than 50 percent of all hay, in 1965 it will make up 59 percent. Clover and timothy hay production generally has been declining in recent years, but this year's crop of 19.1 million tons is slightly higher than in 1964.

Major alfalfa production areas are the North Central and Western States. In the West North Central Region, the crop was estimated at 27.9 million tons, 12 percent above the 1959-63 average. In the East North Central Region the crop of 16.0 million tons is about 3 percent above average. The crop in the Western Region was estimated at 20.2 million tons, slightly more than in 1964 and well above average. Alfalfa makes up about 65 percent of the total hay production in the North Central Region and about 74 percent in the Western States.

Hay Prices Above Average in Most Regions

Despite the heavier supplies, prices received by farmers for hay this fall are little changed from a year earlier, but are about 10 percent above the 5-year average (table 13). Mid-October prices were near or above a year earlier in most of the Midwest, West, and Southern States. Prices were above average, however, in all regions except in the West South Central States where they were down 3 percent and the Western regions where they were down 1 percent.

In the New England, Middle Atlantic, and East North Central areas, prices were above last year and were well above average as the result of shorter hay supplies in these areas. Mid-October hay prices in the West North Central Region averaged $18.80 per ton, the lowest of all areas and little changed from last year although above average. In the Southern States, prices averaged below those in 1964, but generally were above average. In the Mountain States, prices averaged $22.30 per ton, up 4 percent, while in the Pacific Coast States they averaged $23.10 per ton, down slightly from a year earlier.

Table 13.--Hay: Average prices received by farmers, by regions, October 1965 with comparisons

Region	Hay per ton				
	October			1965 as a percentage of	
	Average 1959-63	1964	1965	Average 1959-63	1964
	Dol.	Dol.	Dol.	Pct.	Pct.
New England	29.40	34.70	38.50	131	111
Middle Atlantic	25.80	30.10	30.70	119	102
East North Central	19.80	22.50	23.80	120	106
West North Central	16.80	19.00	18.80	112	99
South Atlantic	30.40	33.60	32.20	106	96
East South Central	23.40	25.80	24.80	106	96
West South Central	21.90	23.80	21.30	97	89
Mountain	22.50	21.40	22.30	99	104
Pacific	23.40	23.60	23.10	99	98
United States	20.80	22.90	22.80	110	100

PROSPECTS FOR HIGH PROTEIN AND OTHER BYPRODUCT FEEDS

Larger High-Protein Feed Supply in Prospect

Tonnage of high-protein feeds available for feeding in 1965-66 is expected to increase by around 500,000 tons over the 16.5 million tons (soybean meal equivalent) fed during the past 2 years (table 14). Much of the prospective increase would be in soybean meal. Some increase in feeding of grain protein is in prospect, but supplies of animal protein feeds probably will be down some from those in 1964-65. Feeding of the other oilseed meals probably will be little changed from the relatively stable level of around 2.5 million tons (soybean meal equivalent) of the past 5 years.

The number of high-protein consuming animal units for 1965-66 is expected to be slightly above the 145.8 million fed in 1964-65. Feeding rates of high-protein feeds have been comparatively stable at around 226 pounds per animal unit during the past 4 years. However, the larger soybean meal production is expected to result in a 3 percent increase in the feeding rate.

Table 14.--High-protein feeds: Quantity available for feeding, high-protein feed-consuming animal units, and quantity per animal unit, average 1959-63, annual 1958-65

Year beginning October 1	Quantity available for feeding (In terms of 44 percent protein soybean meal equivalent 1/)						Animal units fed annually 2/	Quantity per animal unit
	Oilseed meal							
	Soybean meal	Other oilseed meals	Total	Animal protein 2/	Grain protein	Total		
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Mil. units	Pounds
Average 1959-63	9,042	2,404	11,446	3,416	1,035	15,897	143.8	221
1958	8,938	2,205	11,143	3,056	903	15,102	140.8	215
1959	8,450	2,205	10,655	3,103	972	14,730	139.6	211
1960	8,837	2,422	11,259	3,280	947	15,486	142.9	217
1961	9,232	2,455	11,687	3,429	1,052	16,168	143.3	226
1962	9,556	2,420	11,976	3,544	1,069	16,589	145.9	227
1963	9,138	2,518	11,656	3,751	1,136	16,543	147.1	225
1964 3/	9,236	2,507	11,743	3,537	1,177	16,457	145.8	226
1965 4/	9,800	2,524	12,324	3,466	1,200	16,990	146.3	232

1/ Conversion factors are given in the Grain and Feed Statistics, June 1962, table 81, page 72. 2/ High-protein feed consuming livestock. For method of calculation, see Animal Units of Livestock Fed Annually, 1909 to 1964, USDA Stat. Bul. No. 337, September 1965. 3/ Preliminary. 4/ Based on indications in October 1965.

Table 15.--Oilseed meal: Supply and distribution, United States, year beginning October 1963-64, 1964-65 and 1965-66

Oilseed meal	Supply				Distribution			
	Stocks Oct. 1 1/	Production	Imports	Total	Feed	Other uses 2/	Exports	Stocks Sept. 30 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
1963-64								
Soybean	159	10,609	0	10,768	9,138	30	1,478	122
Cottonseed	160	2,729	30	2,919	2,696	30	54	139
Linseed	7	399	1	407	327	---	61	19
Peanut	2	79	---	81	79	---	---	2
Copra	3/	93	---	93	93	---	---	3/
Total	328	13,909	31	14,268	12,333	60	1,593	282
1964-65 4/								
Soybean	122	11,286	0	11,408	9,236	30	2,036	106
Cottonseed	139	2,767	20	2,926	2,680	30	139	77
Linseed	19	366	1	386	300	---	73	13
Peanut	2	98	---	100	98	---	---	2
Copra	3/	101	---	101	100	---	---	1
Total	282	14,618	21	14,921	12,414	60	2,248	199
1965-66 5/								
Soybean	106	12,300	---	12,406	9,800			
Cottonseed	77	2,775	25	2,877	2,650			
Linseed	13	400	---	413	325			
Peanut	2	120	---	122	120			
Copra	1	100	---	101	100			
Total	199	15,695	25	15,919	12,995			

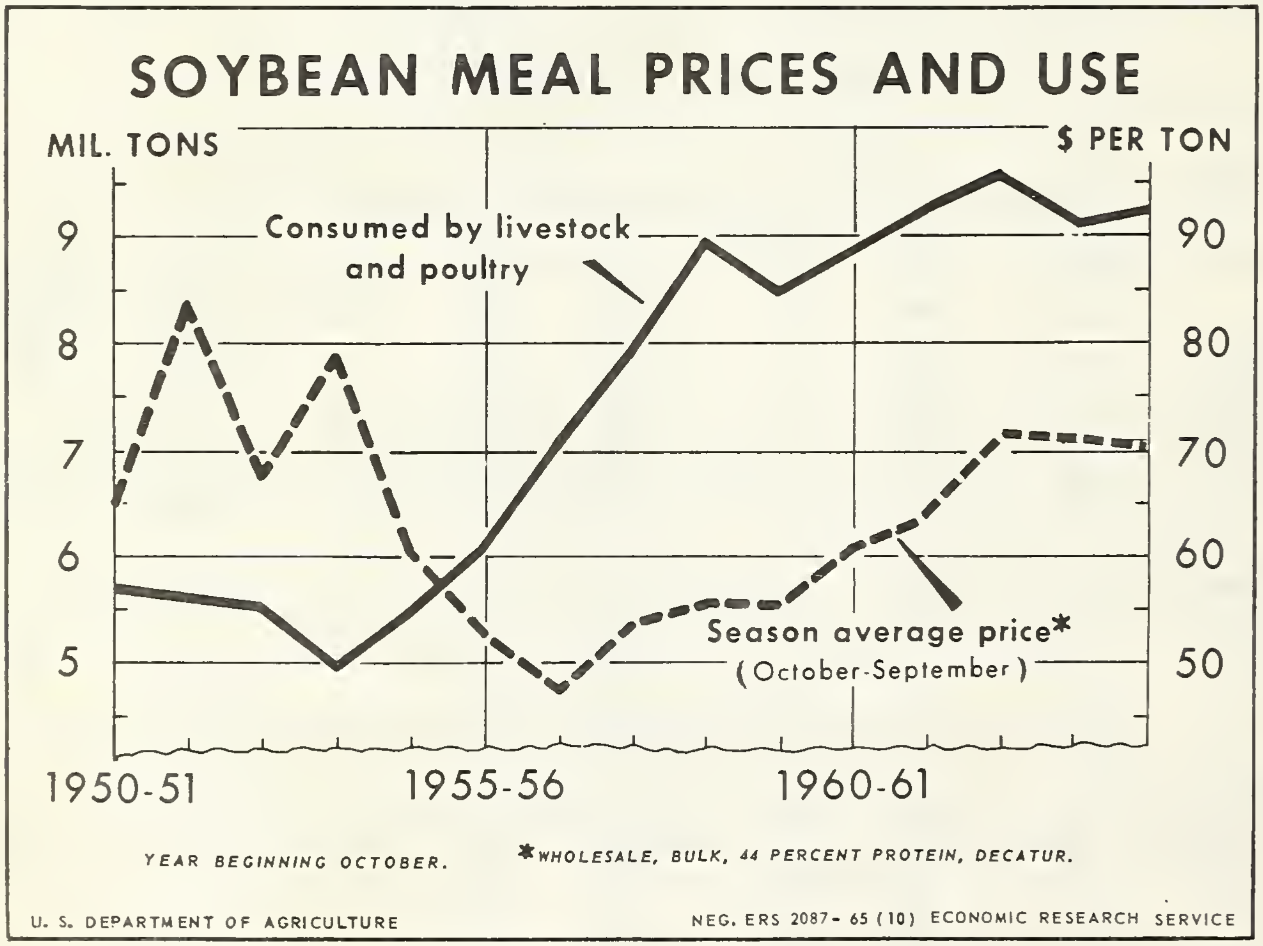
1/ Stocks at processors plants. 2/ Estimated quantities of soybean meal used for industrial purposes and cottonseed meal used for fertilizer on farms of cotton growers. 3/ Not reported. 4/ Preliminary. 5/ Forecast (except for stocks)--based on indications in October 1965.

Oilseed Meal Supplies to Increase

Principally as a result of the much larger soybean crush, oilseed meal supplies are expected to increase to nearly 16.0 million tons, 7 percent above 1964-65. Total use (domestic and exports) in 1965-66 probably will increase proportionately to around 15.6 million tons. Domestic feeding of meals will likely increase about 5 percent from the 12.4 million tons fed last year. Prospects for continued strong foreign demand could boost exports by as much as 15 percent above the 1964-65 record-high of 2.2 million tons. Stocks at the close of the 1965-66 feeding year probably will be higher than the 199,000-ton level on September 30, 1965.

Larger Soybean Meal Production to Increase Domestic Use and Exports

Soybean meal production in 1965-66 is expected to total around 12.3 million tons, 8 percent above last year. A record soybean crop of 862 million



bushels is being harvested this year and a new record high in the crush is in prospect. Foreign demand for U. S. meal in 1965-66 likely will continue the upsurge of recent years. Total meal exports may be up by 15 to 20 percent over the 2,036,000 tons exported in 1964-65. Allowing for some increase in stocks at the end of the year, this would leave 9.8 million tons available for domestic feeding, 6 percent more than in 1964-65.

Prospects for Other Oilseed Meals

The cottonseed meal supply for 1965-66 (stocks, production, and an allowance for imports) is estimated at a little under 2.9 million tons, slightly below a year earlier, due almost entirely to the lower October 1 stocks at processing plants. On the basis of the October 1 estimate of cottonseed production, placed at nearly 6.3 million tons, and assuming 95 percent of the crop will move to mills for crushing, meal output this year would total close to 2.8 million tons, about the same as in 1964-65. After allowing for exports and the change in stocks during 1965-66 the quantity available for feeding may be a little below the 2,680,000 tons fed during 1964-65.

Supplies, as well as feeding of linseed meal this year, may be up moderately from the past year. Peanut meal feeding also probably will be heavier due largely to the big peanut crop. Copra meal feeding, placed at approximately 100,000 tons, would be little changed from that fed in 1964-65.

Prospects for Grain Protein Feeds

Combined feeding of the grain proteins may not differ materially from the 2.1 million tons fed in 1964-65. The quantity of these feeds available for feeding has expanded in recent years, due primarily to increased output of corn gluten feed and meal. Production of gluten feeds in 1965-66 likely will be a little higher than the 1.4-million-ton level of 1964-65. Feeding of brewers' and distillers' dried grains in 1965-66 may be a little higher than last year's levels of 295,000 tons and 409,000 tons respectively.

Smaller Supplies of Animal Protein Feeds Likely

Supplies of animal protein feeds dropped about 5 percent in 1964-65 from the preceding year, following a consistent expansion for more than a decade. The decrease was due largely to the smaller supplies of fish meal, although production of meat meal and tankage was down slightly and milk products for feeding continued to decline slowly. Supplies of fish meal available for feeding were down 16 percent in 1964-65. Production declined 5 percent to about 283,000 tons, and imports nearly a fourth to 334,000 tons.

Table 16.--Byproduct feeds: Estimated use for feed, year beginning October, average 1959-63, annual 1960-65 1/

Item	Average 1959-63	1960	1961	1962	1963	1964 2/	1965 3/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
HIGH-PROTEIN FEEDS							
Oilseed cake and meal							
Soybean cake and meal	9,043	8,837	9,232	9,556	9,138	9,236	9,800
Cottonseed cake and meal	2,546	2,498	2,622	2,585	2,696	2,680	2,650
Linseed cake and meal	332	378	330	320	327	300	325
Peanut cake and meal	67	75	54	68	79	98	120
Copra cake and meal	127	162	138	110	93	100	100
Total	12,115	11,950	12,376	12,639	12,333	12,414	12,995
Animal proteins							
Tankage and meat meal	1,779	1,695	1,760	1,837	1,940	1,932	1,875
Fish meal and solubles	601	545	622	655	737	617	625
Commercial dried milk products	173	167	165	194	215	217	220
Noncommercial milk products	672	726	679	625	568	522	490
Total	3,225	3,133	3,226	3,311	3,460	3,288	3,210
Grain protein feeds							
Gluten feed and meal	1,226	1,098	1,237	1,285	1,368	1,400	1,425
Brewers' dried grains	258	249	266	261	276	295	300
Distillers' dried grains	367	352	380	362	382	409	420
Total	1,851	1,699	1,883	1,908	2,026	2,104	2,145
OTHER BYPRODUCT FEEDS							
Wheat millfeeds	4,929	4,874	4,932	4,896	5,108	4,750	4,750
Rice millfeeds	317	284	315	347	373	390	410
Dried and molasses beet pulp	930	790	853	1,055	1,203	1,200	1,100
Alfalfa meal	1,501	1,436	1,513	1,589	1,611	1,634	1,650
Fats and oils 4/	249	221	231	244	5/330	348	350
Miscellaneous byproduct feeds 6/	3,760	3,600	3,600	3,800	3,800	3,800	3,700
Total	11,686	11,205	11,444	11,931	12,425	12,122	11,960
Total all byproduct feeds	28,877	27,987	28,929	29,789	30,244	29,928	30,310

1/ Estimated use for feed is derived by adding production and imports; deducting exports, utilization for food and other nonfeed uses, and adjusting for changes in stocks of cottonseed, soybean, linseed, peanut and copra cakes and meals, brewers' and distillers' dried grains and alfalfa meal.

2/ Preliminary.

3/ Preliminary estimates based on indications in October 1965.

4/ Inedible tallow and grease only, beginning March 1965. Based on reports from feed manufacturers.

5/ Beginning January 1964 based on reports from renderers; not comparable with data for earlier years.

6/ Estimated quantities of hominy feed, oat millfeeds, molasses and screenings available for livestock feeding.

Supplies from domestic production for 1965-66 probably will at least equal and may exceed the 1964-65 level. The sharp increase in fish meal prices during the past year will be an incentive for fishermen to increase their catch. Domestic production, however, as usual will depend to a large extent on the availability of fish in the fishing areas. Meat meal and tankage supplies in 1965-66 are expected to be a little lower than in the past year, due largely to prospects of smaller hog slaughter.

Prospects for Other Byproduct Feeds

The 4,750,000 tons of wheat millfeeds fed in 1964-65 was 7 percent less than in 1963-64. This drop was due to both smaller production and smaller imports. Wheat millfeed production declined 4 percent to 4,740,000 tons while imports dropped to 59,000 tons, down substantially from the 198,500 of a year earlier. Exports totaled 53,000 tons, compared with only 17,100 a year earlier. Supplies of wheat millfeeds in 1965-66 are not expected to change much from those of the past year.

Rice millfeed production in 1965-66 is expected to increase a little over the past year because of the larger rice crop and prospects of a little more rice to be milled. Rice millfeed production trended upward sharply in recent years, increasing from 267,000 tons in 1959-60 to 390,000 in 1964-65.

Production of dehydrated and sun-cured alfalfa meal totaled 1,770,000 tons during the 1964-65 feeding year, 5 percent below a year earlier. Prospects for some strengthening in demand may result in a little more meal production during 1966. Although total disappearance has been increasing during the past 4 or 5 years, unofficial estimates of exports indicate that much of the increase has been going into exports; there probably has been little net change in domestic use. Beginning in January 1965, the Bureau of Census began collecting and publishing data on U. S. exports of alfalfa meal. During January-August, exports amounted to 213,276 tons, of which 173,853 tons or 82 percent were shipped to Japan. Sun-cured meal made up 89,521 tons or 42 percent of the total, practically all going to Japan.

Distribution of Domestic Production and Sales of Urea

Sales of feed-grade urea from domestic production in 1964, on the basis of preliminary data furnished by the U. S. Tariff Commission, totaled 129,000 tons, (46 percent nitrogen), practically equal to the 129,600 tons sold in 1963. 1/ However, sales of all urea in 1964 increased 13 percent from 1963 to 1,142,500 tons, due almost entirely to the continued rise in sales of fertilizer-type urea. The increase in total sales may indicate some further increase in the use of urea in livestock feeds. The data of feed urea probably do not represent the actual amount going into feed since fertilizer urea and

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1/ Data for earlier years carried in table 21, page 34, *Feed Situation*, August 1964.

imported urea may be used in feed rations. For the past 4 years, sales of feed-grade urea have exceeded production. This also would indicate that some fertilizer-type urea (about 46 percent nitrogen) has been used for feed.

Feeding of urea is limited to ruminant animals such as cattle, sheep, and goats. The 129,000 tons (46 percent nitrogen) sold in 1964 would be equivalent to about 141,000 of 42 percent nitrogen feed-grade urea. In turn, this quantity is equal to approximately 757,000 tons of protein feed carrying a protein content of 44 percent (table 36). This is nearly 14 percent of the 5.5 million tons of high-protein feeds (44 percent soybean meal equivalent) consumed by cattle and sheep in 1963-64.

High-Protein Feed Prices Expected to Average A Little Lower in 1965-66

Prices of high-protein feeds probably will average a little lower during the 1965-66 feeding year, mainly because of the prospective larger supplies of soybean meal. In 1964-65, high-protein prices averaged close to the level for the 2 preceding years, at about 119 percent of the 1957-59 average. Expanding domestic and export demand for protein feeds in recent years has resulted in prices rising about 20 percent since 1960. Despite increasing production, soybean meal prices have shown a substantial gain, averaging 28 percent higher in 1964-65 than the 1959-60 level. On the other hand, prices of meat meal, tankage and the grain protein feeds have increased very little from the level of 5 years ago. A reduction in fish meal supplies in 1964-65 has been accompanied by rising prices and the 1964-65 average was nearly 40 percent higher than 5 years earlier.

With larger supplies of soybean meal available, soybean meal prices in 1965-66 are expected to average somewhat below the 1964-65 level. Soybean meal prices have declined sharply since mid-September when short supplies forced prices to the highest level in recent years. In October, the average price was $70.70 about the same as a year earlier. Soybean meal prices probably will average somewhat lower in 1965-66 than last year. Lower soybean meal prices probably will be accompanied by some decline in prices of other oilseed meals and grain protein feeds. Prices of tankage and meat meal, on the other hand, may be firm in 1965-66 if the prospective smaller livestock slaughter results in reduced supplies of these feeds.

Soybean Meal Prices Expected to Decline in Relation to Other Feeds

Soybean meal prices may be somewhat lower in relation to most other high-protein feeds than in 1964-65. The substantial rise in soybean meal prices during the past 5 years was not accompanied by similar increases in the prices of most of the other protein feeds. In 1964-65, cottonseed meal was 13 percent below soybean meal and linseed meal 11 percent lower, based on the 1954-63 average relationship (table 18).

Table 17.--Prices of specified byproduct feeds, by weeks, July-October, 1964 and 1965 1/

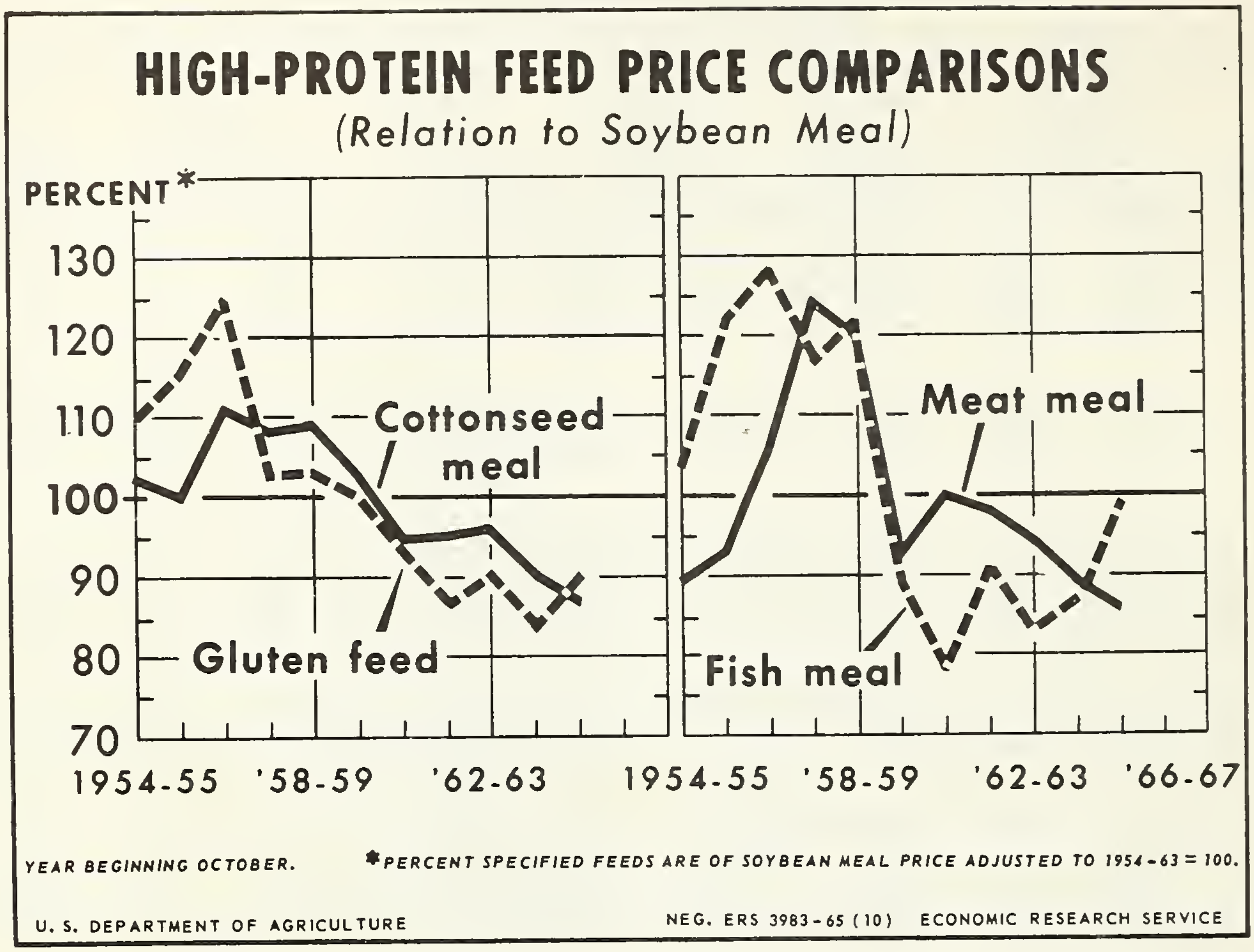
Period	Soybean meal, 44 percent protein, Decatur		Cottonseed meal, 41 percent protein, Memphis		Meat meal, 50 percent protein, Chicago		Fish meal, 60 percent protein, Buffalo 2/		Gluten feed, 21 percent protein, Chicago		Wheat middlings, Minneapolis	
	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965	1964	1965
	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton	Dol. per ton
July 6	69.00	75.75	54.00	64.00	82.50	107.50	126.00	158.00	39.00	41.00	34.00	38.50
13	66.00	74.00	56.00	64.00	82.50	108.75	126.00	158.00	39.00	41.00	32.00	38.00
20	65.00	72.50	57.00	62.00	81.25	108.75	127.00	163.00	37.00	41.00	35.50	40.00
27	63.00	75.50	58.00	64.00	80.25	107.50	127.00	163.00	39.00	43.00	31.00	40.00
August 3	63.00	74.00	60.00	64.00	77.75	102.50	130.00	163.00	39.00	43.00	31.50	39.50
10	63.00	72.00	62.00	64.00	77.50	97.50	130.00	163.00	39.00	43.00	31.50	38.00
17	64.00	68.00	64.00	66.00	78.75	95.00	134.00	163.00	39.00	43.00	32.50	37.00
24	65.50	63.00	64.00	64.00	81.25	90.00	134.00	168.00	39.00	43.00	33.00	36.00
31	67.00	71.00	64.00	64.00	85.00	88.75	134.00	168.00	41.00	42.00	36.00	35.00
September 7	67.50	73.50	61.50	59.00	83.75	83.75	134.00	168.00	41.00	42.00	35.00	36.00
14	71.50	71.50	62.00	60.50	86.25	83.75	134.00	168.00	42.00	42.00	33.50	37.50
21	71.00	81.25	63.00	60.50	88.75	87.50	134.00	173.00	43.00	43.00	34.50	42.00
28	70.50	81.00	63.50	59.50	87.50	98.25	134.00	173.00	43.00	44.00	34.50	40.50
October 5	71.50	71.00	62.00	58.50	87.50	90.00	139.00	173.00	44.00	44.00	38.00	38.00
12	69.50	68.50	60.00	58.50	86.25	83.75	139.00	173.00	45.00	44.00	38.50	37.00
19	68.00	69.50	62.00	59.50	83.75	85.00	139.00	173.00	45.00	44.00	38.00	35.50
26	68.00	74.00	62.00	60.50	80.00	86.20	141.00	173.00	45.00	44.00	39.00	37.00

1/ Wholesale prices, bulk. Prices are for Tuesday of each week. 2/ F.o.b. seaboard.

Table 18.--Soybean meal: Prices, per ton, as compared with prices of other high-protein feeds, year beginning October, 1954-64 1/

Feed	Unit	Average 1954-63	1957	1958	1959	1960	1961	1962	1963	1964	1965 October
Soybean meal 2/	Dol.	59.20	53.40	55.80	55.55	60.60	63.60	71.30	71.00	70.20	70.70
Cottonseed meal 3/	Dol.	58.00	56.50	59.45	56.25	56.15	59.20	66.90	62.20	59.80	59.20
	Pct.	98	108	109	103	95	95	96	90	87	85
Linseed meal 4/	Dol.	58.90	50.30	66.40	60.10	54.15	66.00	67.30	58.00	61.90	67.10
	Pct.	99	95	120	109	90	105	95	83	89	96
Meat meal 5/	Dol.	82.20	91.75	93.35	71.80	84.20	86.30	93.70	88.20	83.90	86.20
	Pct.	139	124	120	93	100	98	94	89	86	88
Fish meal 6/	Dol.	126.90	133.75	145.60	106.35	100.95	123.20	126.50	131.80	148.90	173.00
	Pct.	214	117	122	89	78	91	83	87	99	114
Gluten feed 5/	Dol.	40.10	37.55	39.30	37.65	38.30	37.50	43.20	40.70	43.00	44.00
	Pct.	68	103	103	100	93	87	90	84	91	91
Distillers' dried grains 7/	Dol.	54.30	51.80	50.20	50.50	55.15	55.00	60.20	57.60	60.20	58.10
	Pct.	92	105	98	99	99	93	91	88	93	89
Brewers' dried grains 8/	Dol.	41.30	39.75	41.65	38.35	41.85	38.90	44.20	37.90	42.10	46.10
	Pct.	70	106	107	99	99	87	89	76	86	93

1/ Prices of the high-protein feeds divided by the price of soybean meal, adjusted to the 10-year average relationship by dividing by the 1954-63 average percentage. 2/ Decatur. 3/ Memphis. 4/ Minneapolis. 5/ Chicago. 6/ Buffalo. 7/ Cincinnati. 8/ Milwaukee.



Soybean meal was also above average in relation to the grain protein feeds. Compared with the 10-year average, gluten feed at Chicago in 1964-65 was 9 percent below soybean meal prices at Decatur, distillers' dried grains were 7 percent lower, and brewers' dried grains were 14 percent lower. The price of meat meal averaged about 14 percent lower than soybean meal, while fish meal was about the same as the 1954-63 average in relation to soybean meal.

Soybean meal prices continued above the 10-year average this fall in relation to prices of most of the other protein feeds. In October prices of cottonseed meal, distillers' dried grains and meat meal continued well below soybean meal prices. Linseed meal and brewers' dried grain prices have advanced in relation to soybean meal, although they are still a little below the 1954-63 average relationship. The marked rise in fish meal prices during the past year, accompanied by little change in soybean meal prices, resulted in fish meal prices averaging about 17 percent above soybean meal in October. Prices of most high-protein feeds may average a little higher in relation to soybean meal in 1965-66 than the comparatively low prices of the past 2 or 3 years.

Molasses Prices Continue Low Relative to Corn Prices

Since May 1964, molasses prices have been relatively low when compared with those of corn. This past July-September, the price of 6.5 gallons of molasses at Chicago averaged 43 cents below the price of 1 bushel of No. 3 Yellow Corn at that market. In this comparison, 6.5 gallons of molasses is considered equal in feeding value to 1 bushel of corn. During October-September 1964-65, molasses prices averaged 41 cents lower than corn compared with 9 cents higher in 1963-64 and 6 cents higher for the 1959-63 average. While corn prices have been increasing in recent years, molasses prices have declined. During 1964-65, molasses at New York averaged 13.0 cents per gallon, down 7.8 cents from 2 years ago and 3.7 cents below the 1953-62 average.

GOVERNMENT PROGRAMS AND PRICE SUPPORT ACTIVITY

Provisions of the 1966-69 Feed Grain Program

The Food and Agricultural Act of 1965, passed by Congress in October, contains provisions for a Feed Grain Program for 1966 through 1969. The Act provides for a voluntary program similar to those that have been in effect for the previous 5 years. However, the Secretary is given more latitude in determining specific provisions of the program than under previous legislation. Farmers producing corn, grain sorghums and barley (if the latter is designated by the Secretary) may participate in the program by meeting the requirements as specified each year by the Secretary of Agriculture. The program again provides for acreage diversion as a requirement for eligibility for price supports which may be provided as loans and price support payments, as in 1963-65. The Secretary of Agriculture is given the authority to determine and announce the specific provisions of the program for each of the 4 years.

Feed Grains Included in Program--The term feed grains under the Act means corn and grain sorghums, and if designated by the Secretary, it would also include barley. For 1966 barley has been designated as a feed grain. A producer may also have wheat included as a feed grain for the purpose of substitution between wheat and feed grains. The Secretary may also include provisions for substitution between feed grains and wheat, and he may also permit the producer to establish an oat-rye base for the purpose of substitution between these grains and wheat. As was the case in 1965, however, substitution is not permitted between oats and rye, and corn, sorghums, or barley.

Price Supports for Feed Grains--Price supports for feed grains will be available to farmers participating in the program through loans and price support payments as in the previous 3 years. The price support level for corn will be 65 to 90 percent of parity and at comparable levels for grain sorghum, barley and oats. To be eligible for price support, a producer will be required to participate in the acreage diversion program to the extent prescribed by the Secretary. The Secretary may provide for price supports through loans and price support payments. Such payments will be held in kind and will be determined on the basis of the maximum permitted acreage, or the Secretary may make such payments on a smaller acreage at a higher rate. The production on which the price support payment would be made would be based on the acreage of feed grains on the farm which the Secretary has designated as eligible for such payments and the projected yield per acre for the farm. In determining such payments, producers who plant not less than 90 percent of their permitted acreage of feed grains shall be considered to have planted the entire acreage permitted.

Acreage Diversion and Diversion Payments--The Secretary may again carry out an acreage diversion program for feed grains, as has been the case in the past 5 years, if he determines that the total supply of feed grains will be excessive in the absence of such a program. Acreage diversion payments would be made on the basis of the feed grain acreage diverted from the 1959-60 base level to crops designated as soil-conserving crops or practices including summer fallow and idle land. The Secretary may permit farmers to plant such crops as guar, sesame, sunflower, safflower, castor beans, mustard seed, crambe, plantago ovato and flax on the acreage diverted from feed grains. Payments may be made on the acreage diverted from feed grains to such crops, but in no event shall the payment exceed one-half of the rate which otherwise would be applicable if the acreage was diverted to conservation use.

The rate of payment for acreage diversion shall be determined by the Secretary at such levels as to give a fair and reasonable rate for the acreage diverted. The rate of payment cannot exceed 50 percent of the county support rate for the normal production of the acreage diverted from the commodity, based on the farm projected yield per acre.

Soybeans May be Planted in Lieu of Feed Grains--Under the 1965 Act, the Secretary of Agriculture may permit farmers to plant soybeans on the permitted feed grain acreage and receive price support payment on such acreage. This would permit farmers to grow soybeans instead of corn, grain sorghum, or barley and still receive the price support payment that would be made on the feed grain produced on this acreage. Thus, participating farmers growing soybeans instead of corn on the permitted acreage would not lose the price support payment for corn, as has been the case under the 1963-65 programs.

Projected Yield to Be Used Instead of Historical Average Yield--The 1965 Act also provides for the use of the projected yield of feed grains for each of the years the program will be in effect instead of an historical average yield, as was the case under prior programs. Since feed grain yields have been trending upward, this will mean that substantially higher yields will be used in determining the producers "normal" production than during 1961-65. Normal production is determined for the purpose of computing acreage diversion and price support payments. Corn yields, for example, have been going up at an average rate of about 6 percent annually during the past 10 years and the U. S. average corn yield for 1965 is 21 percent above the 1959-63 average. Sorghum grain yields are currently about 17 percent above the average.

Malting Barley Provisions--The Secretary is again given the authority to exempt producers of malting barley from the requirements of the acreage diversion program. Such a producer would be eligible for price support if he has previously produced a malting barley, and plants only an acceptable malting variety for harvest and his acreage does not exceed 110 percent of the 1959-60 barley base acreage. Barley producers also growing corn and grain sorghums would not be permitted to produce wheat on their oat and rye base acreage under the substitution provision of the program.

Cropland Adjustment Program--The Act also provides for long-term diversion of land through a Cropland Adjustment Program. Farmers would be permitted to sign up for the diversion of cropland into soil-conserving or nonagricultural uses for a period of 5 to 10 years. This would be attractive to farmers who would prefer diverting their entire crop acreage rather than a part of their cropland under the Feed Grain, Wheat or Cotton Programs. The crop acreage going into this program would result in the diversion of some feed grain acreage, in addition to the acreage diverted under the Feed Grain Program. The Department of Agriculture may reimburse the farmer for a part of the cost of establishing and maintaining the soil-conserving practices as determined to be necessary under the program. The farmer would also receive annual payments (or a lump sum payment with a discount) for acreage diversion during the period of the agreement, as determined to be fair and reasonable for the operation of the program. The farmer may devote his farm to soil-conserving uses, wildlife, recreational resources, forestry, or other purposes, as designated by the Secretary. The annual adjustment payment for such acreage shall not exceed 40 percent of the estimated value of the crops that might otherwise be grown on the land. The Act authorizes a total expenditure of not more than $225 million annually for this program.

Feed Grain Acreage Diversion Increases To Record Level Under 1965 Program

Farmers signed up to divert 36.7 million acres of feed grains to soil-conserving uses in 1965, about 2.4 million more than signed for diversion in 1964, and 4.3 million more than was actually diverted last year. This year, for the first time, farmers were permitted to substitute between wheat and feed grains in the acreage diversion program. The greatest substitution among the grains apparently was in the planting of wheat on barley acreage; as farmers reduced their barley acreage about 11 percent this year, although the acreage signed for diversion was slightly smaller than in 1964. Farmers signed up to divert 25.1 million acres of corn, 2.0 million more than last year; 7.3 million acres of grain sorghum, up 0.5 million; and 4.4 million acres of barley, compared with 4.5 million last year.

Price Support Activity May Increase in 1965-66

The quantity of feed grains placed under price support in 1965-66 may increase from the low level in 1964-65, when only 9.3 million tons were placed under price support. This amounted to less than 7 percent of 1964 production and was the smallest tonnage placed under price support in more than 10 years.

Table 19.--Feed grains: Price support operations, United States, 1961-65

Crop year	National average loan rates	Season average price received by farmers	Difference	Quantity placed under price support			Total deliveries to CCC 1/	Under loan or owned by CCC at close of marketing year
				Loans	Purchase agreements	Total		
	Dol. per bu.	Dol. per bu.	Dol. per bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
				Corn				
1961	1.20	1.08	-.12	582	77	659	635	1,535
1962	1.20	1.10	-.10	536	55	591	481	1,275
1963	2/1.07	1.09	.02	386	9	395	3/ 75	1,300
1964	2/1.10	1.16	.06	215	4/ 5/	215	3/ 40	935
1965	3/1.05							
				Oats				
1961	.62	.64	.02	20	1	21	8	28
1962	.62	.62	.00	30	2	32	19	41
1963	.65	.62	-.03	35	4	39	32	67
1964	.65	.63	-.02	41	4/2	43	30	84
1965	.60							
				Barley				
1961	.93	.98	.05	43	1	44	14	45
1962	.93	.92	-.01	33	7	40	26	60
1963	2/.82	.90	.08	24	4	28	7	49
1964	2/.84	.94	.10	15	4/ 5/	15	2	30
1965	2/.80							
				Sorghum grain				
	Dol. per cwt.	Dol. per cwt.	Dol. per cwt.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1961	1.93	1.80	-.13	189	7	196	194	644
1962	1.93	1.82	-.11	213	6	219	217	645
1963	2/1.71	1.74	.03	138	3	141	130	640
1964	2/1.77	1.89	.12	83	4/ 5/	83	72	555
1965	2/1.65							

1/ Partly estimated, includes an allowance for grain under loan or purchase agreement that is expected to eventually be delivered to CCC and for over-deliveries as determined by final measurement of grain when delivered to CCC. 2/ Price support included both loan rates and purchase agreements, see table 20. 3/ Tentative estimate assumes about half of the corn resealed or still outstanding will eventually be delivered to CCC. 4/ Deliveries under the purchase agreement program. 5/ Less than 500,000 bushels.

Compiled from reports of the Agricultural Stabilization and Conservation Service.

Table 20.--Feed grains: National average price supports,
1963-65 Programs

Grain	1963 Program			1964 Program			1965 Program		
	Price support		Total support	Price support		Total support	Price support		Total support
	Loan	Payment		Loan	Payment		Loan	Payment	
Corn, per bu.	$1.07	$0.18	$1.25	$1.10	$0.15	$1.25	$1.05	$0.20	$1.25
Oats, per bu.	.65	.00	.65	.65	.00	.65	.60	.00	.60
Barley, per bu.	.82	.14	.96	.84	.12	.96	.80	.16	1/.96
Grain sorghum, per cwt.	1.71	.29	2.00	1.77	.23	2.00	1.65	.35	2.00

1/ Malting barley on exempted farms - price support loan 96 cents - no price support payment.

The reduction in price support activity in 1963 and 1964 was due largely to the change in the feed grain program, although in 1964 it was due in part to the smaller feed grain crops. Beginning with the 1963 crop, the feed grain price support was divided between a price support loan and a price support payment (table 20). The corn loan rate, for example, was reduced from $1.20 per bushel in 1961 and 1962 to $1.07 in 1963 and $1.10 in 1964. In addition to lowering the loan rates, CCC sales provisions were changed to prohibit sales against the certificate pool at less than the loan rate plus carrying charges. Prices received by farmers for feed grains averaged above the loan rates in 1963-64 and 1964-65, reducing the incentive to place feed grains under price support. Less than 7 million tons of 1963 feed grains are expected to be delivered to CCC and deliveries from the 1964 crop are expected to be down to around 4 or 5 million tons. This compares with 24 to 25 million tons from the 1960-62 crops. Farmers placed only 215 million bushels of 1964 corn under loan and had repaid loans on 133 million through September 30. They have delivered practically none of this corn to CCC. About 82 million bushels, however, are still held by farmers under the reseal program.

With the larger 1965 crop, the quantity of feed grains placed under price support may increase some from the 9.3 million tons in 1964-65. Since production is expected to be a little above total requirements this year, the quantity delivered to CCC also may be a little larger than from the 1964 crops. The quantity placed under price support and delivered to CCC, however, is expected to continue much below volume from the 1960-62 crops.

Table 21.--Feed grains: Loan and delivery periods for 1965 crops

Grain	Loans available from time of harvest through 1/	Maturity date of loans 1/	Delivery months for most of the grain 1/
Corn	June 30	July 31	August-October
Oats	March 31	April 30	May-June
Barley	March 31	April 30	May-June
Sorghum grain	February 28	March 31	April-May

1/ Earlier dates have been set for some States.

Smaller CCC Sales of Feed Grains in Prospect

Sales of feed grains by CCC may be considerably smaller than in 1964-65, when 15.5 million tons were sold for domestic use and export. The larger sales in 1964-65 resulted from the smaller 1964 feed grain production, which was about 14 million tons below total requirements. Domestic sales of corn in the 1964-65 marketing year totaled 341 million bushels and export sales 50 million. This was much larger than the total of 170 million bushels in 1963-64. Domestic sales included about 287 million sold against the certificate pool and 43 million sold under the Emergency Livestock-Feed Program. With much larger "free" supplies this year, CCC sales of corn are expected to be down substantially from the 1964-65 level.

Sales of sorghum grain in 1964-65 totaled about 144 million bushels, including 122 million bushels for export and about 22 million for domestic use. The substantially lower minimum sales price for sorghum grain in 1965-66, 14 cents per cwt. below 1964-65, will make sorghum grains more attractive in comparison with corn and other feed grains. The big sorghum grain crop, however, is expected to be fully adequate to meet requirements and CCC sales will be competing with the larger domestic crop and lower market prices.

Sales of oats and barley during the October-September feeding year continue relatively small. Sales of oats totaled 13.5 million bushels, principally for domestic use, while barley sales totaled close to 15 million bushels, mostly for export.

Corn Price Support Activity Reduced by Higher Prices and Lower Loan Rates

During the past 15 years the quantity of corn placed under price support and deliveries to CCC have been determined to a considerable extent by the relation between the Government loan rates and corn prices. This has been in evidence in the past 2 years, as the loan rates were reduced from $1.20 for 1962-crop corn to $1.07 for the 1963 crop and $1.10 for the 1964 crop. In both of these marketing years, prices received by farmers averaged above the loan rates during November-May and the quantity of corn placed under loan declined from 591 million bushels in 1962-63 to 395 million in 1963-64 and 215 million in 1964-65. In 1959-63, when all or a large share of the corn was eligible for price support, the quantity placed under price support reached a high level--ranging from 529 million to 659 million bushels, as shown in table 22. With the change in the Feed Grain Program in 1963, the price of corn averaged 3 cents above the support in November 1963-May 1964 and 6 cents above in 1964-65. In those 2 years, the quantity of corn placed under price support dropped sharply.

The level of corn prices during June-August, as related to the loan rate, appears to be important in determining the quantity of corn delivered to CCC. This is the period when farmers make their decision to deliver corn to CCC, repay their loans, or reseal the corn. In most of the marketing years 1952-53 through 1962-63, corn prices in these months were below the loan rate and a large percentage of the corn placed under price support was delivered to CCC. Corn prices were above the loan rates during most of the 1963-64 and 1964-65 marketing years. In June-August 1964 the average price of corn was 6 cents above the loan rate and in those 3 months of 1965, 12 cents above. These are the only years since 1951-52 that corn prices have been above the loan rate during June-August, except in 1957-58 and 1958-59, when the price of corn was above the loan rate to noncomplying producers. As has been the case in other such years, deliveries of corn to CCC have been quite small. Only about 15 million bushels of 1963 corn were delivered to CCC last summer and fall and deliveries of 1964 corn have been even smaller. Farmers still have 109 million bushels of 1963 corn under the reseal program and loans are still outstanding on 82 million bushels of 1964 corn. Total deliveries from each of these crops are expected to be well under 100 million bushels, the smallest from any crop since 1951.

Table 22 --Corn: Price support operations, United States, 1948-64

Year beginning October	National average loan rate	Prices November-May		Total placed under price support	Prices following: June-August		Quantity delivered to CCC	
		Average price 1/	Above or below support level		Average price 1/	Above or below support level	Total 2/	Percent of total under price support
	Dol.	Dol.	Cents	Mil. bu.	Dol.	Cents	Mil. bu.	Pct.
1948	1.44	1.20	- .24	551	1.21	- .23	497	90
1949	1.40	1.18	- .22	387	1.41	.01	90	23
1950	1.47	1.55	.08	54	1.63	.16	1	2
1951	1.57	1.66	.09	26	1.73	.16	1	4
1952	1.60	1.47	- .13	417	1.47	- .13	375	90
1953	1.60	1.42	- .18	471	1.51	- .09	422	90
1954	1.62	1.38	- .24	259	1.37	- .25	251	97
1955	1.58	1.21	- .37	421	1.43	- .15	409	97
1956								
To compliers 3/	1.50	1.21	- .29	377	1.23	- .27	4/400	100
Noncompliers 5/	1.25	1.21	- .04	100	1.23	- .02	77	77
Total				477			477	---
1957								
To compliers 3/	1.40	1.02	- .38	229	1.18	- .22	223	97
Noncompliers 5/	1.10	1.02	- .08	140	1.18	.08	45	32
Total				369			268	73
1958								
To compliers 3/	1.36	1.05	- .31	228	1.14	- .22	4/230	100
Noncompliers 5/	1.06	1.05	- .01	153	1.14	.08	37	24
Total				381			267	70
1959 6/	1.12	1.00	- .12	529	1.08	- .04	460	87
1960 6/	1.06	.96	- .10	638	1.04	- .02	490	75
1961 7/	1.20	.97	- .23	659	1.03	- .17	635	97
1962 7/	1.20	1.04	- .16	591	1.18	- .02	481	81
1963 7/	8/1.07	1.10	.03	395	1.13	.06	9/ 75	19
1964 7/	8/1.10	1.16	.06	215	1.21	.11	9/ 40	19

1/ Average price received by farmers during period loans are available.

2/ Partly estimated for the years 1959-64. Includes an allowance for grain under the reseal program that is expected to eventually be delivered to CCC and over deliveries as determined by final measurement of grain when delivered to CCC. The breakdown of deliveries between compliers and noncompliers also is partly estimated since data are not available on breakdown of the reseal corn between these two categories.

3/ Support prices and operations for farmers complying with their acreage allotments. Includes corn going under price support in noncommercial area.

4/ Deliveries to CCC measured out above quantities placed under price support due to over deliveries.

5/ Support prices and operations for noncomplying farmers in the commercial area.

6/ Price support available to all producers.

7/ Price support available to producers participating in the Feed Grain Program.

8/ Price support of $1.25 per bushel. Includes a loan of $1.07 and a price support payment of $0.18 per bushel in 1963; loan of $1.10 and price support payment of $0.15 in 1964.

9/ Tentative estimate assumes about half of the 1963 and 1964 corn under loan, including reseal and loans still outstanding, will eventually be delivered to CCC.

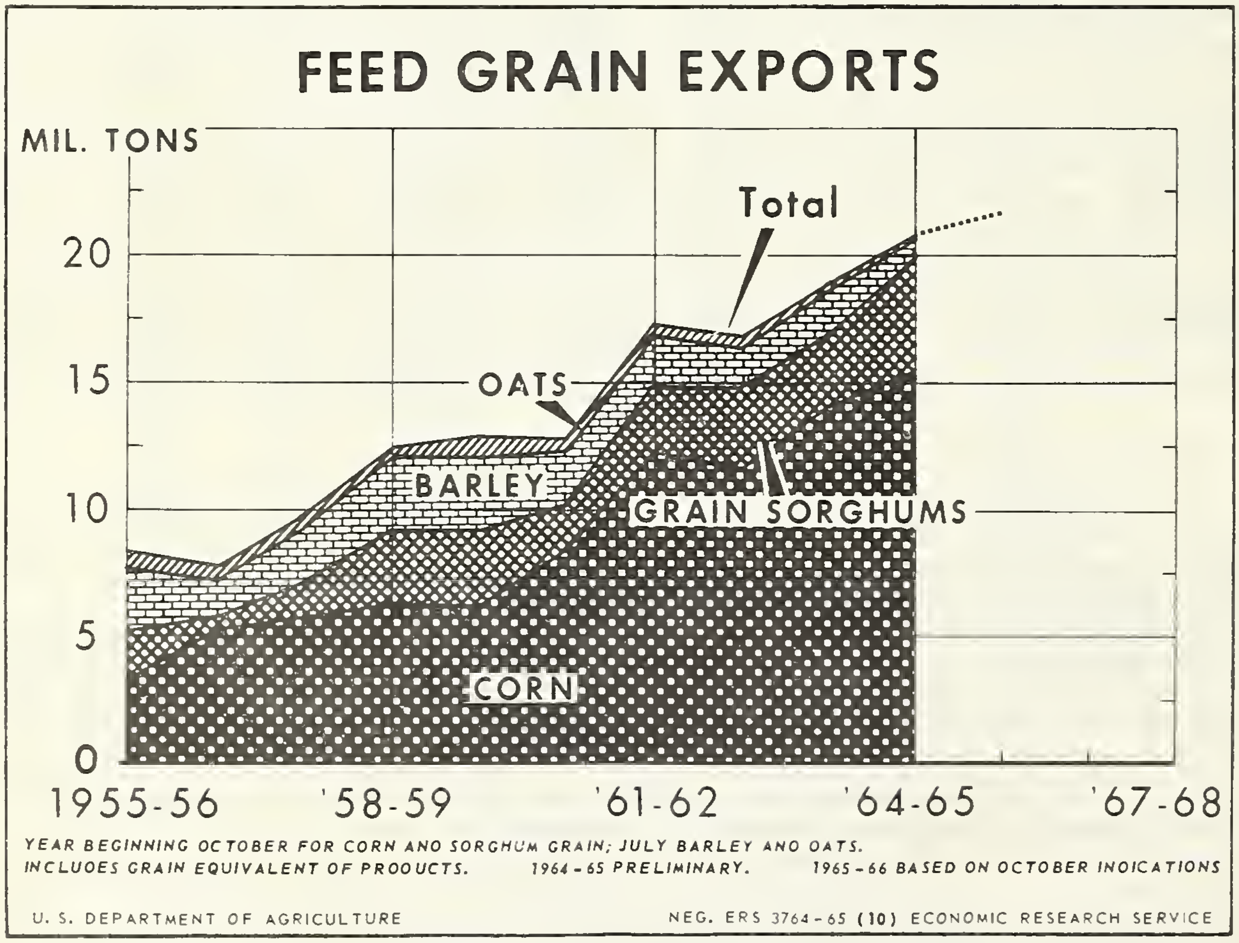
Data on price supports and price support activity compiled from reports of the Agricultural Stabilization and Conservation Service.

PROSPECTS FOR FOREIGN TRADE IN FEED GRAINS

Feed Grain Exports Continue Upward

U. S. exports of feed grains in the 1965-66 marketing year are expected to rise again, probably exceeding the past year's 21.6-million-ton level by around 2 million tons and the 1959-63 average by nearly 8 million. Corn exports in 1964-65 rose to a record high of 570 million bushels, 70 million above the year before. Exports in 1965-66 are expected to advance to around 625 million bushels, based on continued expansion in feed requirements in Western Europe and other major importing countries.

Exports of sorghum grain during the 1964-65 marketing year rose to a record 148 million bushels, exceeding the previous high of 113 million in 1962-63. Exports in 1965-66 are expected to be at least as large as those in 1964-65.



FEED GRAIN EXPORTS

YEAR BEGINNING OCTOBER FOR CORN AND SORGHUM GRAIN; JULY BARLEY AND OATS.
INCLUDES GRAIN EQUIVALENT OF PRODUCTS. 1964-65 PRELIMINARY. 1965-66 BASED ON OCTOBER INDICATIONS

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 3764-65 (10) ECONOMIC RESEARCH SERVICE

Oat exports in the past 2 years have been relatively small at 5 million to 6 million bushels. In 1965-66, however, they are expected to rise sharply to around 25 million bushels, or near the recent 5-year average. Barley exports declined from 118 million bushels in 1959-60 to 60 million in 1964-65. Exports in 1965-66 probably will be somewhat smaller than last year as a result of the further decline in U. S. supplies.

Western Europe's Demand for Feed Grains Continues to Expand

The expansion in the demand for livestock and livestock products in Western Europe has been one of the important factors in the increase in U. S. exports of feed grains during the past 10 years. While feed grain production in recent years has been about a fourth larger than in the late 1950's, requirements have increased at an even faster pace. The uptrend in demand has resulted from the marked economic growth in Western Europe during the past 15 years.

Mixed feed production in Western Europe nearly doubled from 19 million tons in 1957 to 37 million in 1963 (table 23). 1/ This rapid growth in the mixed feed industry has been a major factor increasing the demand for imported feed grains and high-protein feeds. Despite the increase in feed grain production during this period, Western European imports of feed grains from all countries increased from 13 million tons in 1956-57 to about 25 million tons in 1964-65. Imports of feed grains from the United States kept pace with the increase in total imports, rising from less than 5 million tons to around 11 million. Imports of soybean meal also increased sharply during this period, reaching a record high of over 2 million tons in 1964. In the last 3 years, more than half of this has been imported from the United States. The demand for feed grains and high-protein feeds in Western Europe is expected to continue to expand, with further growth in the economies of these countries.

Japan's Imports of Feed Increase

A general decline in Japan's production of feed grains during the past 5 years has been more than offset by increased feed imports to meet feed requirements of a rapidly expanding livestock industry. Along with increasing imports from the United States, Japan also has increased feed grain imports from other countries. Oat and barley production in Japan has trended downward from over 2 million tons in the late 1950's to less than 1.5 million during 1963-65 (table 23). Feed grain imports in about the same period advanced from less than 2.0 million tons to around 5.6 million in 1964-65. Japan's imports of U. S. feed grains rose sharply from 620,000 tons in 1956-57 to 3.2 million in 1964-65. In the past 2 years, Japan has been the largest importer of U. S. feed grains.

Historically, Japan's imports of soybean meal have been comparatively minor. However, soybean meal makes up an important portion of all ingredients

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1/ World Mixed Feed Production Shows Rapid Growth, Foreign Agricultural Circular, FAS, USDA, August 1965.

Table 23.--Western Europe and Japan: Production of feed grains and mixed feeds; and foreign trade in feed grains and soybean meal, 1956-65

Item	Unit	1956-1957	1957-1958	1958-1959	1959-1960	1960-1961	1961-1962	1962-1963	1963-1964	1964-1965 1/	1965-1966 2/
		Western Europe 3/									
Feed grains											
Production	Mil. s. tons	45.3	39.9	40.8	43.7	47.6	47.5	49.3	55.3	52.7	53.3
Imports 4/											
Total	Mil. s. tons	13.1	13.4	16.7	18.9	16.9	20.6	21.4	23.7	5/24.7	---
From U. S.	Mil. s. tons	4.4	5.6	7.9	9.3	8.2	9.6	11.1	9.8	5/10.9	---
Soybean meal imports 6/											
Total	1,000 s. tons	745	559	925	1,210	1,016	1,592	1,882	2,095	---	---
From U. S.	1,000 s. tons	129	107	227	346	375	871	1,142	1,209	---	---
Mixed feed production 7/	Mil. s. tons	19.3	21.8	25.4	28.0	29.8	35.6	37.1	---	---	---
		Japan									
Feed grains											
Production	1,000 s. tons	2,491	2,081	2,288	2,500	2,472	2,176	1,914	975	1,375	1,393
Imports 4/											
Total	1,000 s. tons	1,525	1,458	1,725	1,326	2,013	2,608	3,244	5,027	5,616	---
From U. S.	1,000 s. tons	620	684	744	338	584	1,356	1,407	2,894	3,206	---
Soybean meal imports 6/											
Total	1,000 s. tons	2	17	12	1	62	17	2	15	---	---
From U. S.	1,000 s. tons	2	1	1	1	61	6	1	15	---	---
Mixed feed production 7/	1,000 s. tons	1,293	1,444	1,886	2,779	4,292	5,092	6,349	---	---	---

1/ Preliminary. 2/ Based on October indications. 3/ West Germany, France, The Netherlands, Italy, Belgium-Luxembourg, United Kingdom, Denmark, Spain, Sweden, Austria, Greece, and Switzerland. Because of differences in reporting, data are not entirely comparable and not all countries reported each of these items. 4/ Year beginning July. 5/ Partly estimated. 6/ Calendar year following. 7/ *Foreign Agriculture Circular*, FG 9-65, FAS, USDA, August 1965. Data compiled 1957-63.

Compiled from reports of Grain and Feed Division and Fats and Oils Division, FAS.

Table 24.--Feed grains: Total exports and exports under Government Programs, United States, July-June 1963-64 and 1964-65

Program	Corn		Oats		Barley		Sorghum grain		Total feed grains	
	1963-1964	1964-1965 1/	1963-1964	1964-1965 1/	1963-1964	1964-1965 1/	1963-1964	1964-1965 1/	1963-1964	1964-1965 1/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 short tons	1,000 short tons
Public Law 480										
Title I 2/	36,183	13,318	---	---	3,311	3,844	59	3,888	1,095	574
Title II 3/	4,008	6,430	---	---	---	---	1,598	885	157	204
Title III										
Foreign donations	16,759	11,562	---	---	---	---	---	24	469	324
Barter	6,858	8,704	---	---	1,686	843	2,614	4,748	305	397
Title IV 4/	79	11,500	---	---	---	1,575	20	600	3	377
Total	63,887	51,514	---	---	4,997	6,262	4,291	10,145	2,029	1,876
A.I.D. 5/	63	388	2	6	6/	---	---	16	2	11
Other exports 7/	408,840	486,722	5,707	4,634	64,993	54,050	95,115	108,658	15,761	18,043
Total 8/	472,790	538,624	5,709	4,640	69,990	60,312	99,406	118,819	17,792	19,930
Deliveries from CCC stocks under the payment-in-kind program 9/	19,791	1,920	923	2,268	17,365	9,592	8,410	22,341	1,221	946

1/ Preliminary. 2/ Sales for foreign currency. 3/ Donations for emergency relief and economic development projects. 4/ Long-term dollar credit sales. 5/ Commodities financed with foreign aid funds provided by the Agency for International Development. 6/ Less than 500 bushels. 7/ Grain exported from commercial channels under the Payment-In-Kind Program and unassisted commercial sales for export. 8/ Total exports, including grain equivalent of products. 9/ Total deliveries from CCC stocks to exporters for export under the Payment-In-Kind Program, including payments for exports under the P.L. 480 Program.

Compiled from reports of the Grain and Feed Division, FAS, and the Fiscal Division, ASCS.

going into mixed feed production. Most of the meal is produced in Japan's processing plants from imported soybeans. Mixed feed production in Japan has expanded at an even more rapid rate than in Europe, rising from 1.3 million tons in 1957 to 6.3 million in 1963, an increase of nearly fivefold. A continued rise is in prospect in feed grain requirements of Japan.

Feed Grain Exports Sold Through Commercial Channels Make Up 90 Percent of Total

In contrast to some food commodities (such as wheat, rice, soybean oils, and dairy products), most exports of feed grains move through commercial channels without Government assistance. Of the 19.9 million tons of feed grains exported in July 1964-June 1965, nearly 90 percent were exported by private firms exclusive of Government aid (table 23). Practically all of the remaining 1.9 million tons were shipped under the P.L. 480 Program, down slightly from a year earlier.

Corn exported under P.L. 480 totaled 51.5 million bushels, about a fifth below that in 1963-64. Corn export sales for long-term dollar credit increased to 11.5 million bushels, while sales for foreign currency and foreign donations were down sharply from the year before.

There have been no payments for exporting feed grains under the payment-in-kind program during the last 3 years. Feed grains, however, are delivered to exporters under this Program from CCC stocks in payment for export of other agricultural products. The tonnage delivered for export dropped nearly a fourth from 1963-64, to 946,000 tons in 1964-65. Corn and barley exports under this program were down sharply and more than offset the increase in oat and sorghum grain shipments

U. S. Feed Grain Exports Account for Half of World Total

World feed grain exports have more than doubled in the past decade. World exports in 1964-65 totaled about 40 million tons, nearly 3 million more than the year before and around 22 million above the 1953-57 average (table 27). U. S. exports have increased at a little faster rate than the world total, going to slightly over half the world total in 1964-65. Feed grain exports by Argentina, France, and the Republic of South Africa have expanded considerably in the past few years, while Canadian and USSR shipments generally have declined. Australian exports have varied during this period.

Larger Canadian Oat and Barley Crop in Prospect

Weather conditions generally have been good to excellent for 1965 Canadian feed grain crops, resulting in prospects for record-high yields per acre for both oats and barley. While weather conditions generally have favored large Canadian feed grain crops in 1965, bad weather at harvest time has caused deterioration in quality and may reduce the production estimates from those reported as of mid-September.

Table 25.--Feed Grains: United States exports, by countries of destination, 1963-65 1/

Country	October-September				July-June				Marketing year total	
	Corn, including seed		Sorghum grain		Barley		Oats		4 feed grains	
	1963-64	1964-65 2/	1963-64	1964-65 2/	1963-64	1964-65 2/	1963-64	1964-65 2/	1963-64	1964-65 2/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 tons	1,000 tons
Western Hemisphere										
Canada	70,598	78,204	113	108	3,979	4,268	498	22	2,084	2,296
Mexico	967	710	500	2,545	385	3,907	55	60	51	185
Others	8,588	4,890	980	970	299	10	122	108	277	166
Total	80,153	83,804	1,593	3,623	4,663	8,185	675	190	2,412	2,647
Europe:										
EEC										
Belgium-Luxembourg	24,848	32,015	15,488	19,029	242	713	227	507	1,139	1,454
France	1,165	3,854	87	849	---	---	1	---	35	132
Germany, West	35,961	34,319	3,840	7,835	9,753	9,917	386	789	1,355	1,431
Italy	35,193	79,278	11	115	3,798	5,396	1,095	126	1,094	2,355
Netherlands	64,123	74,299	32,326	40,027	5,318	4,039	2,192	2,378	2,863	3,336
EEC sub-total	161,290	223,765	51,752	67,855	19,111	20,065	3,901	3,800	6,486	8,708
Austria	4,207	11	8	137	---	606	---	---	118	18
Denmark	1,270	563	734	241	6,214	4,967	---	---	205	141
Greece	7,052	8,909	---	600	2,877	1,573	---	---	267	304
Ireland	3,543	3,448	1,198	522	---	---	---	---	133	111
Norway	3,658	3,837	---	1,223	---	---	---	---	102	142
Poland	2,069	258	5,878	1,490	2,224	2,239	---	---	276	103
Spain	25,416	38,276	45	844	4,095	640	---	---	811	1,111
Switzerland	3,846	1,613	36	3,264	61	63	196	124	113	140
United Kingdom	68,174	63,394	3,003	4,893	250	496	---	---	1,999	1,925
Others	16,849	2,497	2	6,418	4,146	1,353	1	---	572	282
Total (incl. EEC)	297,374	346,571	62,656	87,487	38,978	32,002	4,098	3,924	11,082	12,985
Asia:										
India	4,571	5,422	981	3,005	1	---	1	---	155	236
Israel	7,801	6,745	5,290	6,279	483	---	---	---	378	365
Japan	62,690	90,162	34,699	45,896	12,818	10,335	15	---	3,035	4,058
Korea, Republic of	207	---	---	---	11,031	6,817	82	---	272	164
Syria	84	80	1	---	---	---	---	---	2	2
Others	3,438	6,459	251	117	4	---	7	11	104	184
Total	78,791	108,868	41,222	55,297	24,337	17,152	105	11	3,946	5,009
Africa:										
Egypt	16,612	4,067	---	174	---	---	---	---	465	119
Others	3,089	6,087	1,065	1,905	---	915	1	---	116	245
Total	19,701	10,154	1,065	2,079	---	915	1	---	581	364
Total to all countries	476,019	549,397	106,536	148,486	67,978	58,254	4,879	4,125	18,021	21,005

1/ Exports of grain only. Does not include corn exported under the food for relief or charity program.
2/ Preliminary.

Grain and Feed Division, Foreign Agriculture Service.

Based on September 15 indications, the 1965-66 Canadian oat supply was placed at 551 million bushels, which would be 3 percent above a year earlier and 8 percent above the 1959-63 average (table 26). The crop was estimated at 421 million bushels, 18 percent above 1964 and 7 percent above average. The total utilization in 1964-65 was 406 million bushels, down 4 percent from a year earlier, but 5 percent above average. As a result of the smaller 1964 crop, August 1 stocks of oats were 130 million bushels, down 49 million from the year before, but 15 million above average.

The 1965-66 Canadian barley supply was estimated at 309 million bushels, which would be 12 percent above a year earlier and average. The prospective increase in acreage and yield per acre would give a crop of 220 million bushels, nearly a third above last year and about a fifth above average. Stocks on August 1 totaled 89 million bushels, down 29 million from 1964, and 15 million below average. The reduction in stocks was due to the smaller 1964 crop, as total utilization in 1964-65 was maintained at a relatively high level of 196 million bushels.

Argentine Corn Crop Down 10 Percent

The 1965 Argentine corn crop harvested the past spring totaled 193 million bushels, a decrease of 18 million from last year, but near the recent 5-year average (table 26). Argentine exports of corn in 1964-65 reached 132 million bushels, the most in more than 20 years. Exports this year probably will be somewhat lower than in 1964-65, assuming little or no change in the 80-82 million bushel domestic disappearance level during the past 2 years.

South African Crop Little Changed

The Republic of South Africa's 1965-66 corn supply was placed at 180 million bushels, a decrease of about 23 million bushels from the year before. The crop, harvested the past spring, totaled about 170 million bushels, close to the 1964 output but down sharply from the big 236-240 million bushel crops of 1962 and 1963. The May 1, 1965, carryover was about 10 million bushels compared with 34 million a year earlier. Because of smaller supplies, South Africa's exports declined from more than 100 million bushels in 1962-63 and 1963-64 to a little less than 40 million in 1964-65. Should domestic requirements continue their upward trend of the past 3 years, the May 1965-April 1966 exports of corn would be smaller than those in 1964-65.

Table 26.--Canadian oats and barley, and Argentine corn: Acreage, yield, supply and disappearance, average 1959-63, annual 1961-65

Marketing year	Acreage harvested for grain	Yield	Supply			Disappearance		
			Beginning stocks 1/	Production	Total	Domestic	Export	Total
	1,000 acres	Bu. per acre	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
	Canadian oats for grain, (August-July)							
Average 1959-63	9,466	41.7	115	395	2/511	375	11	386
1961-62	8,543	33.2	115	284	2/405	322	4	326
1962-63	10,591	46.6	79	494	573	401	22	423
1963-64	9,488	47.8	150	453	603	405	19	424
1964-65 3/	8,191	43.6	179	357	536	390	16	406
1965-66 4/	8,656	48.7	130	421	551			
	Canadian barley, (August-July)							
Average 1959-63	6,344	28.7	104	182	286	141	43	184
1961-62	5,529	20.4	113	113	226	125	43	168
1962-63	5,287	31.4	58	166	224	120	15	135
1963-64	6,160	35.8	89	221	310	145	47	192
1964-65 3/	5,455	30.6	118	167	285	159	37	196
1965-66 4/	6,038	36.4	89	220	309			
	Argentine corn, (April-March)							
Average 1959-63	6,526	29.7	14	194	208	103	95	198
1961-62	6,780	28.0	10	190	200	119	71	190
1962-63	6,810	30.8	10	210	220	102	113	215
1963-64	6,540	27.5	5	180	185	80	100	180
1964-65 3/	7,270	28.9	5	211	216	82	132	214
1965-66 4/	5/	5/	2	193	195			

1/ Argentine stocks of corn are unofficial estimates. 2/ Includes imports which are normally quite small. In 1961-62, 5.5 million bushels were imported. 3/ Preliminary. 4/ Based on September indications. 5/ Data not yet available.

Grain and Feed Division, Foreign Agricultural Service, USDA.

Table 27.--World feed grain exports, by major sources, July-June, 1953-64 1/

Country	Average 1953-57	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65 2/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
United States	6,640	12,005	12,780	12,665	16,180	16,928	17,792	19,930
Canada	2,582	2,309	1,700	1,114	1,208	761	1,274	997
Argentina	2,446	3,029	4,357	2,724	3,873	3,593	4,124	5,638
Australia	704	1,194	974	1,292	1,291	685	792	811
Republic of South Africa	875	1,096	794	1,111	1,902	2,543	2,593	1,769
France	553	139	652	2,047	2,360	1,380	3,646	3,610
U.S.S.R.	504	830	355	1,329	1,802	1,920	263	347
Other Countries	3,678	3,825	4,694	4,013	5,420	6,232	6,248	6,462
Total World	17,982	24,427	26,306	26,295	34,036	34,042	36,732	39,564

1/ Minor revisions have been made in data for most countries for the entire period. 2/ Preliminary.

Grain and Feed Division, Foreign Agricultural Service, USDA.

Table 28.--Feed grains: Domestic disappearance and exports, by quarters, United States, average 1959-63, annual 1959-65

Year beginning October	October-December		January-March		April-June		July-September		Total October-September	
	Domestic disap-pearance	Exports 1/	Domestic disap-pearance	Exports 1/	Domestic disap-pearance	Exports 1/	Domestic disap-pearance	Exports 1/	Domestic disap-pearance	Exports 1/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
					Corn					
Average 1959-63	954	99	991	90	783	100	719	86	3,447	375
1959	939	66	958	51	755	58	681	55	3,333	230
1960	931	77	951	72	775	74	739	69	3,396	292
1961	1,045	95	987	123	788	123	740	94	3,560	435
1962	953	107	1,095	85	793	130	675	94	3,516	416
1963 2/	903	151	963	120	804	110	741	119	3,411	500
1964 2/	1,003	152	967	119	770	151	608	148	3,348	570
					Oats					
Average 1959-63	201	6	276	3	212	6	326	7	1,015	22
1959	220	11	276	7	207	9	329	12	1,032	39
1960	225	7	288	6	229	5	357	6	1,099	24
1961	195	3	280	1	207	11	317	12	999	27
1962	193	6	280	3	213	3	306	4	992	16
1963 2/	173	1	256	3/	201	1	323	2	953	4
1964 2/	161	2	239	3/	191	1	295	9	886	12
					Barley					
Average 1959-63	88	22	94	19	69	24	108	14	359	79
1959	80	29	93	26	58	22	107	22	338	99
1960	98	24	93	19	78	21	108	10	377	74
1961	94	15	98	24	60	36	92	17	344	92
1962	86	23	100	12	73	16	113	11	372	62
1963 2/	84	18	86	15	77	26	119	11	366	70
1964 2/	83	22	100	6	84	21	95	17	362	66
					Sorghum grain					
Average 1959-63	149	26	149	24	92	23	35	25	425	98
1959	169	26	103	23	87	21	25	30	384	100
1960	145	24	160	13	86	20	38	14	429	71
1961	125	18	160	27	79	26	58	28	422	99
1962	118	29	166	31	101	31	18	22	403	113
1963 2/	186	33	156	27	107	19	38	28	487	107
1964 2/	161	26	156	27	74	37	34	58	425	148
					Total (Million tons) 4 grains					
Average 1959-63	36.2	4.1	38.6	3.7	29.6	4.1	28.9	3.6	133.3	15.5
1959	36.5	3.4	36.4	2.8	28.3	2.9	27.6	3.1	128.8	12.2
1960	36.1	3.5	37.9	2.9	29.6	3.2	30.1	2.7	133.7	12.3
1961	38.1	3.6	38.9	4.8	29.1	5.2	29.6	4.0	135.7	17.6
1962	35.1	4.5	42.2	3.6	30.2	4.9	27.1	3.6	134.5	16.6
1963 2/	35.3	5.6	37.5	4.5	30.6	4.2	29.8	4.4	133.2	18.7
1964 2/	37.1	5.5	37.7	4.3	28.7	5.8	25.0	6.3	128.5	21.9

1/ Corn, cornmeal, grits and wet process products, oats and oat meal, barley and malt, and sorghum grain. 2/ Preliminary. 3/ Less than 500 thousand bushels.

Table 29.--Feed grains: Planted and harvested acreages, United States, average 1959-63, annual 1959-65

Year	Corn		Oats		Barley		Sorghums	
	Planted all purposes	Harvested for grain	Planted	Harvested	Planted	Harvested	Planted all purposes	Harvested for grain
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average 1959-63	73,394	63,869	31,557	24,558	15,342	13,160	17,251	13,414
1959	82,742	72,091	35,108	27,793	16,817	14,918	19,502	15,402
1960	81,711	71,649	31,538	26,646	15,614	13,939	19,588	15,592
1961	66,771	58,449	32,514	23,994	15,773	12,946	14,292	10,957
1962	65,850	56,609	29,874	22,675	14,636	12,430	15,042	11,536
1963	69,995	60,549	28,749	21,683	13,869	11,566	17,832	13,582
1964	67,393	57,142	26,570	20,419	12,176	10,670	16,862	11,930
1965 1/	66,244	57,245	25,068	19,357	10,791	9,519	17,046	13,505

1/ Preliminary.

Table 30.--Feed grains: Production, United States, average 1959-63, annual 1959-65

Year	Corn for grain	Oats	Barley	Sorghum grain	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 tons
Average 1959-63	3,817,311	1,043,708	418,277	550,485	149,036
1959	3,824,598	1,052,059	422,383	555,211	149,605
1960	3,908,070	1,155,312	431,309	619,867	155,618
1961	3,625,530	1,011,398	395,669	479,751	140,626
1962	3,636,673	1,020,371	436,448	509,685	142,899
1963	4,091,685	979,400	405,577	587,909	156,432
1964 1/	3,548,604	881,891	403,072	490,253	136,872
1965 2/	4,179,187	994,167	407,679	654,555	161,036

1/ Preliminary. 2/ Based on October 1 indications.

Table 31.--Feed grains: Acreage, yield and production, United States, average 1959-63, annual 1959-65

Year	Yield per harvested acre				Four feed grains			
	Corn	Oats	Barley	Sorghum grain	Planted acres	Acreage harvested for grain	Yield per harvested acre	Total production
	Bushels	Bushels	Bushels	Bushels	Million acres	Million acres	Ton	Million tons
Average 1959-63	60.3	42.7	32.0	41.4	137.6	115.0	1.31	149.0
1959	53.1	37.9	28.3	36.0	154.2	130.2	1.15	149.6
1960	54.5	43.4	30.9	39.8	148.5	127.8	1.22	155.6
1961	62.0	42.2	30.6	43.8	129.4	106.3	1.32	140.6
1962	64.2	45.0	35.1	44.2	125.4	103.2	1.38	142.9
1963	67.6	45.2	35.1	43.3	130.4	107.4	1.46	156.4
1964 1/	62.1	43.2	37.8	41.1	123.0	100.2	1.37	136.9
1965 2/	73.0	51.4	42.8	48.5	119.1	99.6	1.62	161.0

1/ Preliminary. 2/ Based on October 1 indications.

Table 32.--Feed grains: Commodity Credit Corporation sales for domestic use and export, by quarters, 1962-64 1/

Year beginning October	October-December		January-March		April-June		July-September		Total October-September	
	Domestic	Export	Domestic	Export	Domestic	Export	Domestic	Export	Domestic	Export
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
	Corn									
1962	113,144	21,583	285,012	18,449	232,530	28,975	25,738	10,460	656,424	79,467
1963	35,099	9,698	52,848	18,179	33,187	11,686	7,919	1,020	129,053	40,583
1964 2/	13,048	1,014	134,792	7,477	174,857	36,564	18,216	4,536	340,913	49,591
	Oats									
1962	839	753	359	0	882	873	367	0	2,447	1,626
1963	575	0	199	0	811	923	211	409	1,796	1,332
1964 2/	1,040	671	2,015	0	7,066	1,188	1,189	287	11,310	2,146
	Barley									
1962	380	4,389	199	35	1,020	1,312	379	1,099	1,978	6,835
1963	3,608	5,141	1,590	9,253	611	8,614	75	1,179	5,884	24,187
1964 2/	1,048	3,581	555	1,120	1,364	5,758	1,337	0	4,304	10,459
	Sorghum grain									
1962	61,947	6,364	62,868	4,319	56,614	28,186	14,781	6,266	196,210	45,135
1963	3,822	22,459	5,589	37,079	11,354	19,231	14,717	7,648	35,482	86,417
1964 2/	5,876	22,028	6,171	29,705	6,764	48,872	3,108	21,529	21,919	122,134

1/ Domestic sales include fire, theft and spoilage, in addition to domestic sales and donations. Export sales include international barter, P.L. 480 program, donations, ICA transfers, as well as cash sales and sales under the payment-in-kind program. 2/ July-September and annual total partly estimated.

Compiled from reports of the Fiscal Division, Agricultural Stabilization and Conservation Service.

Table 33.--Market receipts of corn, oats, and barley, marketing years 1963-64 and 1964-65

Year beginning	Corn 1/		Year beginning	Oats 1/			Barley 2/		
	1963-64	1964-65		1963-64	1964-65	1965-66	1963-64	1964-65	1965-66
	1,000 bu.	1,000 bu.		1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
October	51,739	49,347	July	16,108	10,772	9,872	12,179	15,598	10,772
November	88,661	71,841	August	25,336	16,872	29,564	20,749	29,791	12,052
December	34,166	26,178	September	8,570	9,488	19,008	10,608	20,339	16,361
January	37,372	29,996	October	3,679	3,686		11,801	17,993	
February	29,439	30,910	November	2,472	4,350		13,352	14,501	
March	20,944	32,876	December	2,988	2,707		13,179	14,137	
April	19,786	30,786	January	6,196	3,612		16,290	12,334	
May	18,229	30,872	February	3,329	2,412		14,739	12,741	
June	34,744	40,600	March	2,389	2,692		12,302	14,661	
July	32,735	42,741	April	1,812	3,259		13,775	15,124	
August	31,442	42,108	May	1,862	3,458		10,148	8,954	
September	34,168	23,349	June	4,387	6,458		12,668	11,897	
Total	433,425	451,604	Total	79,128	69,766		161,790	188,070	

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, Wichita and Toledo. 2/ Minneapolis, Milwaukee, Chicago and Duluth.

Table 34.--Feed grains: Total stocks and stocks owned by CCC, quarterly, 1961 to date

Year	Total stocks 1/				Owned by CCC 2/			
	January 1	April 1	July 1	October 1	January 1	April 1	July 1	October 1
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
	Corn							
1961	4,687,297	3,664,924	2,816,056	2,008,357	1,447,907	1,405,912	1,199,958	1,326,833
1962	4,494,569	3,385,027	2,473,315	1,639,546	1,216,188	997,075	675,294	888,313
1963	4,216,669	3,037,357	2,114,517	1,345,593	958,475	788,222	504,648	810,260
1964	4,384,017	3,301,763	2,387,260	1,527,517	794,485	778,306	740,510	828,357
1965 3/	3,921,777	2,835,999	1,915,124	1,159,747	835,418	693,495	484,305	540,410
	Oats							
1961	851,576	558,056	324,636	972,603	11,082	9,878	9,025	8,461
1962	774,652	494,740	276,576	968,228	6,761	6,518	14,292	15,705
1963	770,475	488,392	274,422	945,030	15,261	14,090	17,087	18,942
1964	772,520	517,057	315,391	873,413	18,987	18,570	28,254	34,437
1965 3/	711,699	473,785	283,467	974,295	32,515	30,934	42,151	44,353
	Barley							
1961	358,256	246,879	152,762	435,976	52,153	47,391	50,926	41,611
1962	335,536	216,984	123,711	452,665	32,074	26,113	29,343	28,647
1963	345,754	233,772	146,836	430,080	28,173	27,803	38,434	46,817
1964	332,762	233,419	133,934	409,607	27,681	29,365	28,684	27,386
1965 3/	310,226	205,019	101,994	399,174	22,625	20,889	19,514	19,151
	Sorghum grain							
1961	1,032,369	859,783	753,967	701,928	551,744	541,068	688,980	665,741
1962	1,038,187	851,168	745,836	660,908	600,082	533,288	688,304	627,581
1963	1,023,376	826,604	694,037	654,524	548,213	461,625	661,233	626,730
1964	1,023,919	841,385	715,563	649,412	573,985	542,994	642,153	615,193
1965 3/	952,223	768,559	658,029	566,323	587,274	551,373	565,541	539,558

1/ Stocks in all positions, including stocks on farms, at terminal markets, elevators and warehouses and Government-owned. 2/ Compiled from reports of the Agricultural Stabilization and Conservation Service. 3/ Preliminary.

Table 35.--Feed grains: Distribution of October 1 stocks, United States, annual 1963-65

Year	Farm	Terminal market, mill, elevator and warehouse	Commodity Credit Corporation 1/	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
	Corn			
1963	514,259	435,066	396,268	1,345,593
1964	672,096	441,357	414,064	1,527,517
1965 2/	594,189	257,950	307,608	1,159,747
	Oats			
1963	832,159	108,987	3,884	945,030
1964	753,097	114,591	5,725	873,413
1965 2/	836,451	128,441	9,403	974,295
	Barley			
1963	266,654	150,274	13,152	430,080
1964	260,927	135,605	13,075	409,607
1965 2/	255,961	136,829	6,384	399,174
	Sorghum grain			
1963	34,713	615,779	4,032	654,524
1964	42,959	601,889	4,564	649,412
1965 2/	48,230	513,388	4,705	566,323

1/ In bins or other storage owned or controlled by CCC; other CCC-owned grain is included in stocks at other positions. 2/ Preliminary.

Table 36.- Production, stocks, and foreign trade in byproduct feeds, foreign trade in feed grains, and corn and barley processing, United States, for specified months 1/

Commodity	Production					Stocks 2/				
	1964	1965				1964	1965			
	Sept.	June	July	Aug.	Sept.	Oct. 1	July 1	Aug. 1	Sept. 1	Oct. 1
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Byproduct feeds										
Soybean cake and meal	875.8	879.8	873.5	889.8	722.3	121.6	229.6	194.8	169.3	105.7
Cottonseed cake and meal	181.9	126.1	98.9	71.9	191.0	138.8	207.6	168.5	110.8	77.4
Linseed cake and meal	39.4	28.2	14.3	33.2	42.3	19.3	19.9	11.2	15.5	13.3
Peanut cake and meal	4.3	7.8	4.6	4.1	4.8	2.2	4.6	2.6	2.2	1.7
Copra cake and meal	7.6	6.7	7.1	8.4	5.5	3/	3/	3/	3/	0.7
Total	1,109.0	1,048.6	998.4	1,007.4	965.9	281.9	461.7	377.1	297.8	198.8
Corn gluten feed and meal	118.4	121.9	116.3	134.3	4/	---	---	---	---	---
Brewers' dried grains	22.7	31.5	28.4	24.8	25.3	6.8	3.9	3.2	2.7	3.8
Distillers' dried grains	34.4	33.5	22.7	29.9	36.4	2.2	2.2	1.4	1.5	1.7
Wheat millfeeds	435.0	433.0	346.0	408.0	410.0	---	---	---	---	---
Rice millfeeds	32.6	33.5	21.6	25.9	35.5	---	---	---	---	---
Alfalfa meal	231.7	323.0	386.7	310.8	226.7	870.8	389.2	591.2	719.3	751.3
Fish meal and solubles	29.5	57.7	61.7	53.6	25.2	---	---	---	---	---
Meat meal and tankage 5/	27.9	30.4	29.6	30.4	32.0	---	---	---	---	---
Fats and oils used in feeds 6/	167.6	160.2	150.4	156.1	166.8	---	---	---	---	---

Commodity	Foreign trade									
	Imports					Exports				
	1964	1965				1964	1965			
	Sept.	June	July	Aug.	Sept.	Sept.	June	July	Aug.	Sept.
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Soybean cake and meal	0	0	0	0	0	152.1	143.9	144.0	122.8	104.4
Cottonseed cake and meal	1.0	3.7	3.5	3.3	3.6	4.3	16.9	18.6	1.4	5.3
Linseed cake and meal	.1	7/	.1	.1	.1	24.5	6.2	6.3	6.2	23.0
Other cake and meal 8/	1.9	2.0	0	4.3	.2	3.4	1.5	3.7	.8	.3
Total	3.0	5.7	3.6	7.7	3.9	184.3	168.5	172.6	131.2	133.0
Wheat millfeeds	6.7	2.4	3.7	4.5	3.2	2.0	2.9	9.5	7.8	7.8
Fish meal	34.1	44.6	18.7	13.9	6.9	---	---	---	---	---
Mixed poultry feed	---	---	---	---	---	14.9	14.0	12.0	13.5	13.7
Mixed dairy feed	---	---	---	---	---	1.8	1.5	2.1	1.8	1.6
Alfalfa meal	---	---	---	---	---	---	21.0	33.9	31.0	41.9
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Feed grains										
Corn, including meal	66	40	78	162	49	40,862	59,058	53,127	50,242	9/44,100
Oats, including oatmeal	214	722	294	259	212	771	749	2,322	2,886	4,267
Barley, including malt	1,008	636	995	387	426	5,987	9,256	5,248	5,050	6,789
Sorghum grain	2	1	0	0	0	7,779	10,556	29,039	11,788	16,973
Total (1,000 tons)	30	28	31	18	15	1,518	2,183	2,464	1,904	9/1,941

Commodity	Grain processing or use						
	1964		1965				
	July	August	April	May	June	July	August
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn							
Wet-processing	15,236	15,710	16,854	17,285	17,061	16,768	18,539
Distilled spirits and alcohol	1,727	1,701	2,438	2,321	2,088	1,439	1,826
Barley							
Malt liquors	9,432	8,072	7,581	8,259	9,138	8,474	7,970
Distilled spirits and alcohol	354	360	568	536	444	271	385

1/ Data compiled from reports of the Bureau of the Census, Consumer and Marketing Service, Fish and Wildlife Service of the Department of the Interior, Dun and Bradstreet, New York. 2/ At processors' plants. 3/ Not available. 4/ Not yet available. 5/ Reported by Bureau of Census beginning January 1965; prior to 1965 reported by Statistical Reporting Service, USDA. Data through December 1964 published in February 1965 Feed Situation; 1965 data revised; January, 152,800; February, 147,150; March, 162,300; April, 155,350; and May, 159,500 tons. 6/ Beginning January 1965, inedible tallow and grease only. 7/ Less than 50 tons. 8/ Includes babassu, copra, hempseed, peanut and other oilseed meals. 9/ Preliminary.

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